



The Impact of COVID-19 on Women-Owned Businesses

May 2020



Research by:
Measurement
Resources

Women-Owned Businesses COVID-19 Survey

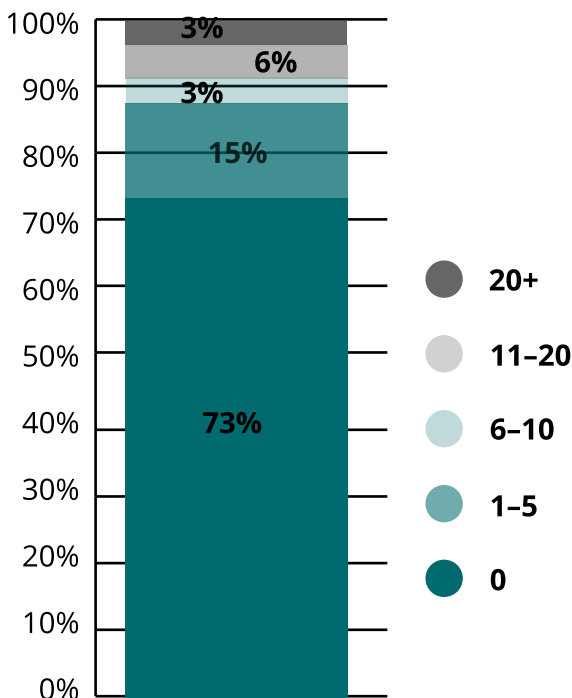
Prior to the coronavirus pandemic (COVID-19), there were more than **306,000 women-owned businesses** generating approximately **\$29 billion** in revenues and contributing **\$9.5 billion** in payroll annually, and creating **330,000 jobs** in Ohio. To better understand the needs and impact of COVID-19 for this sector of Ohio's economy, women business owners (WBOs) were invited to complete a survey sponsored by NAWBO Columbus and conducted by Measurement Resources Company during the first two weeks of May 2020. The purpose of the survey was to understand the impacts and the current needs of women-owned business as a result of COVID-19. The following report highlights the survey findings, which is representative of 78 WBOs.



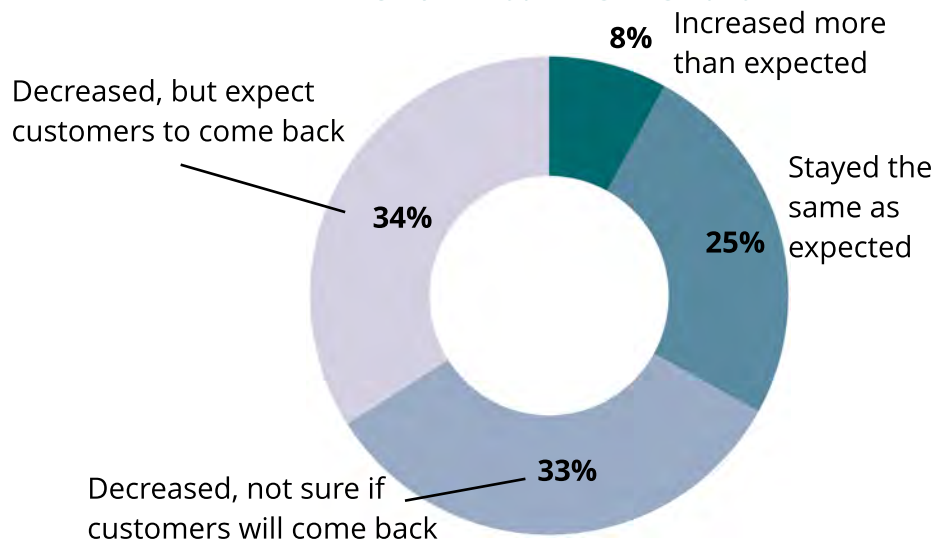
Impacts of COVID-19 on Women-Owned Business

Fewer than half of WBOs (46%) were considered essential during Ohio's stay-at-home order, which went into effect on March 23, 2020. As a result, **26% of WBOs laid off or furloughed staff**. Of those who laid off or furloughed staff, 10% of WBOs laid off more than 20 employees. Within the past two months, WBOs have experienced significant financial loss. Two out of three WBOs reported experiencing decreased revenue, with one in three WBOs not sure if their revenue will come back once the stay-at-home order is lifted. Revenue losses ranged from 10% to 100% of revenue, with an **average reported loss of 47% of revenue** compared to projections for this period. The majority of WBOs reported having contracts delayed, and one in three reported having contracts canceled. Only 13% of WBOs canceled vendor contracts.

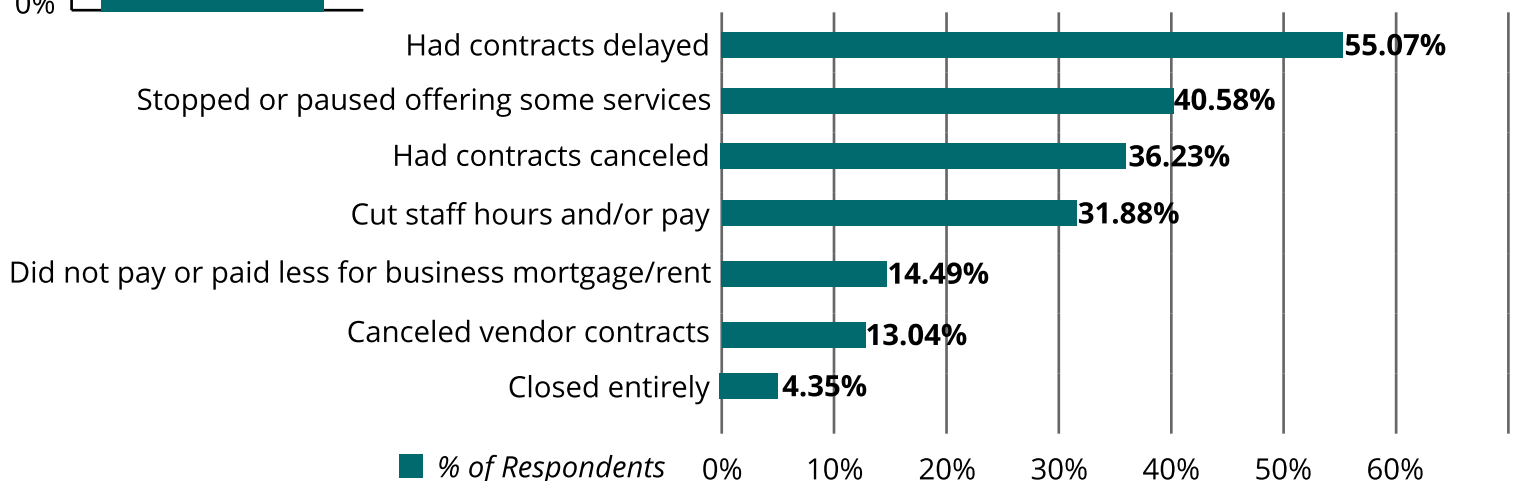
Number of Layoffs/Furloughs Experienced by WBOs



Revenue Impact of COVID-19 Over Past Two Months



Percent of Women-Owned Businesses Experiencing Impacts of COVID-19

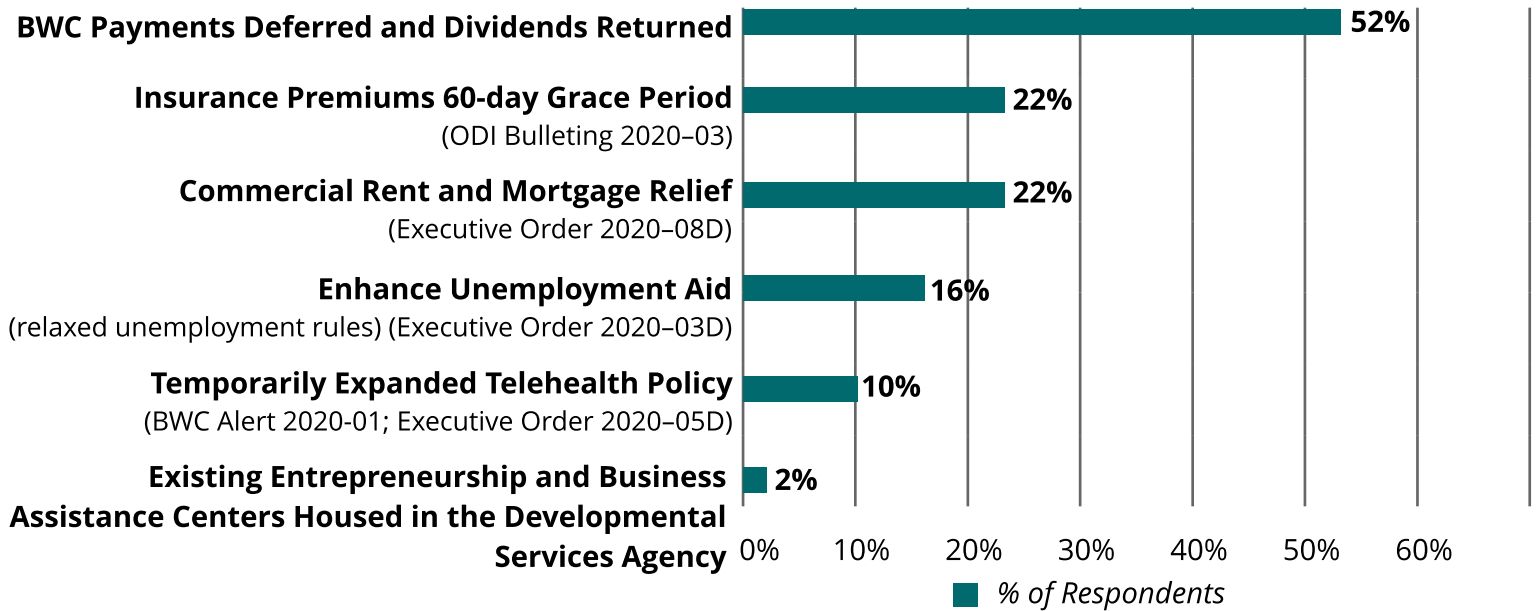


Impact of the Government's Response to COVID-19?

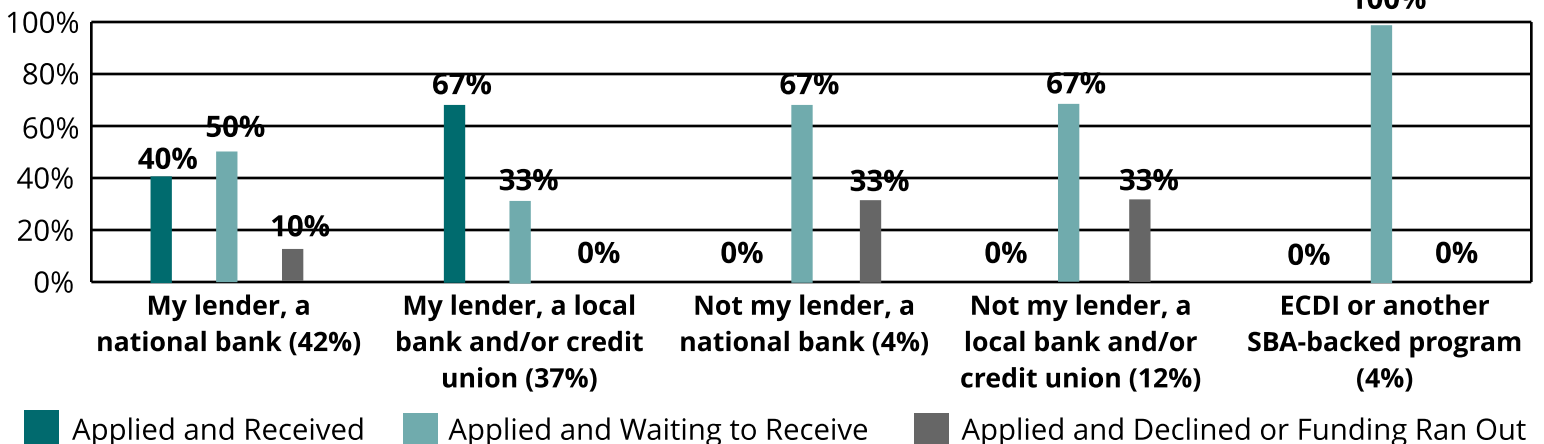
Government programs were established quickly to lessen the impact of COVID-19. These programs were helpful to some, but not all WBOs. For example, 20% of WBOs did not qualify for the Emergency Disaster Loans and 16% of WBOs did not qualify for Payroll Protection Program (PPP). Of the 40% of WBOs that reported applying for the Emergency Disaster Loan, only one in three WBOs have received this money and 14% were denied. The PPP program has been more beneficial as 70% of WBOs reported applying for PPP. Of those who applied, approximately half of WBOs have received

the funds, one in three are still waiting on the funds, and 9% were declined funding. The majority of WBOs who applied for PPP did so through their lender (79%). WBOs who applied through their local bank and credit union were most likely to receive their PPP (67%), compared to those who applied through their national bank and/or another lender that was not their primary banking institution. In addition, the majority of WBOs reported the BWC payment deferred and dividends return helpful.

Percent of Women-Owned Businesses Who Used New or Existing State Relief Efforts During This State of Emergency



Rate of Obtaining PPP by Lender Type





Impact of COVID-19 by Services Provided

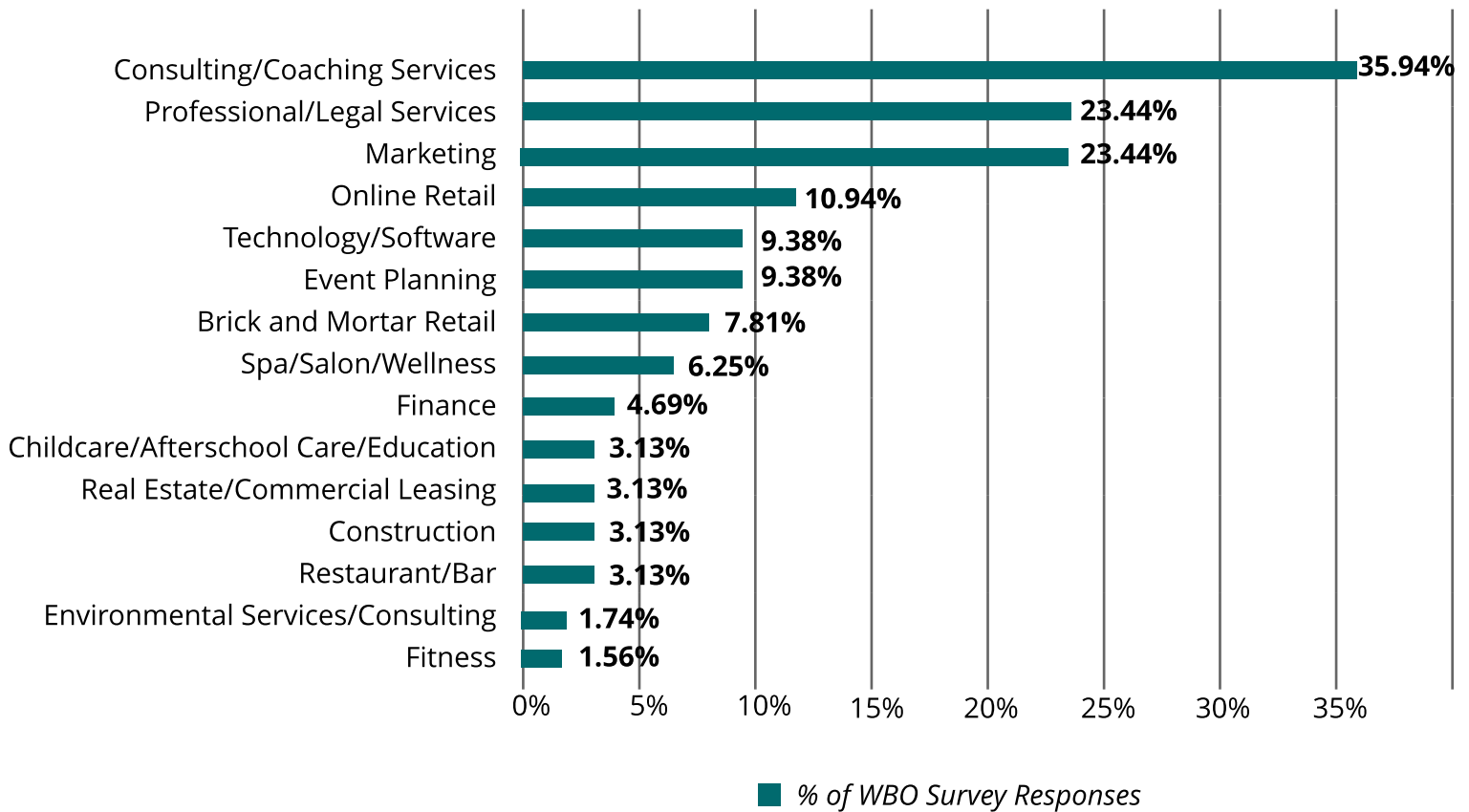
Women-owned businesses are diverse in the types of services offered. More than 30% of survey respondents indicate offering consulting services and/or professional and legal services. Survey results revealed differences in terms of the extent that COVID-19 has impacted WBOs based on the services they offer. The majority of WBOs who offered the following services reported loss of revenues and indicated uncertainty as to whether or not their revenues will return once the stay-at-home order is lifted:

- Brick and mortar retail;
- Online retail
- Restaurant/bar
- Construction; and
- Marketing and event planning.

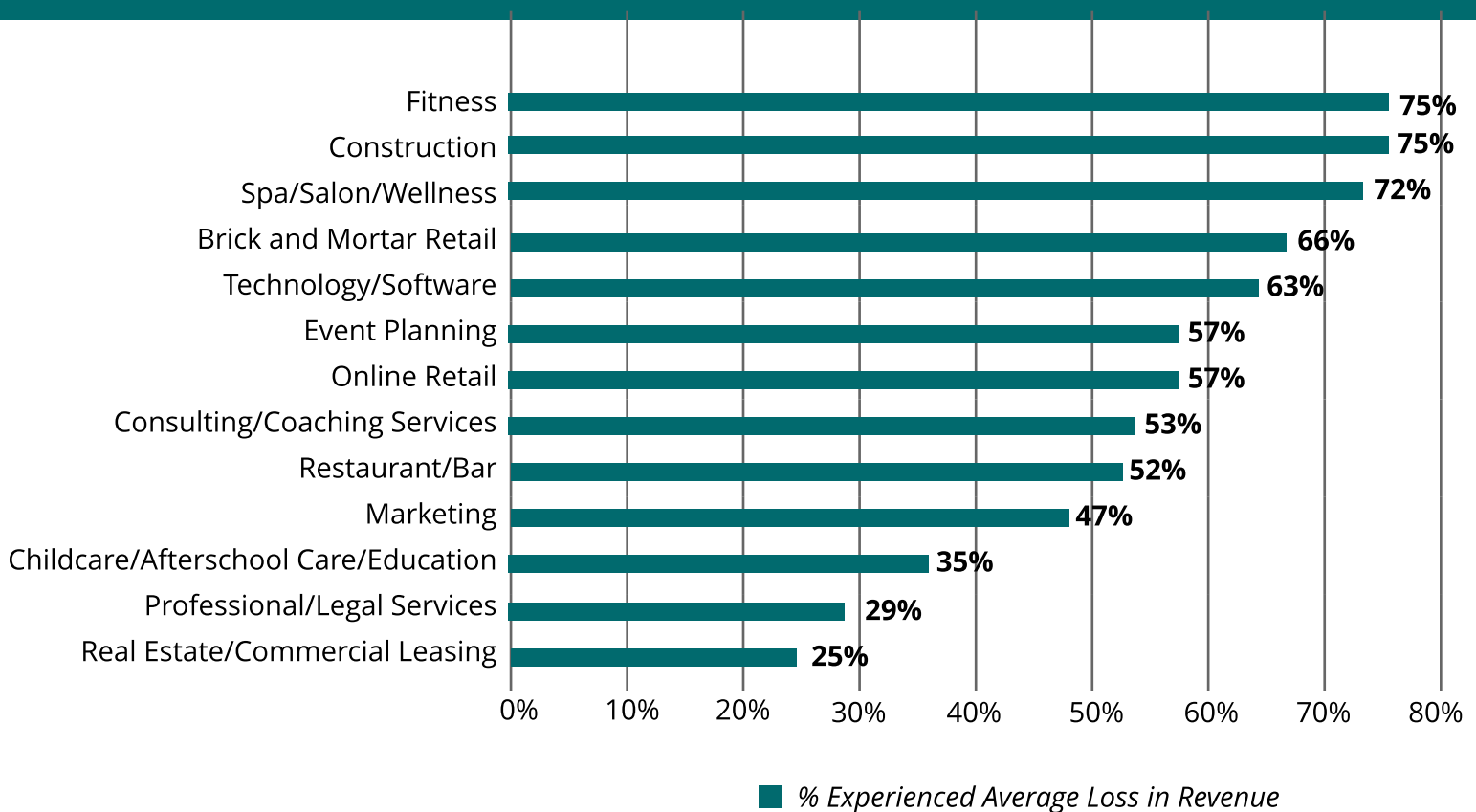
On average, WBOs providing fitness, construction, spa/salon/wellness services experienced the largest decreases in revenues over the past two months. These WBOs report more than 70% loss in revenue over the past two months.



Services Provided by WBOs



% Loss in Revenue Over Past Two Months by Industry Type



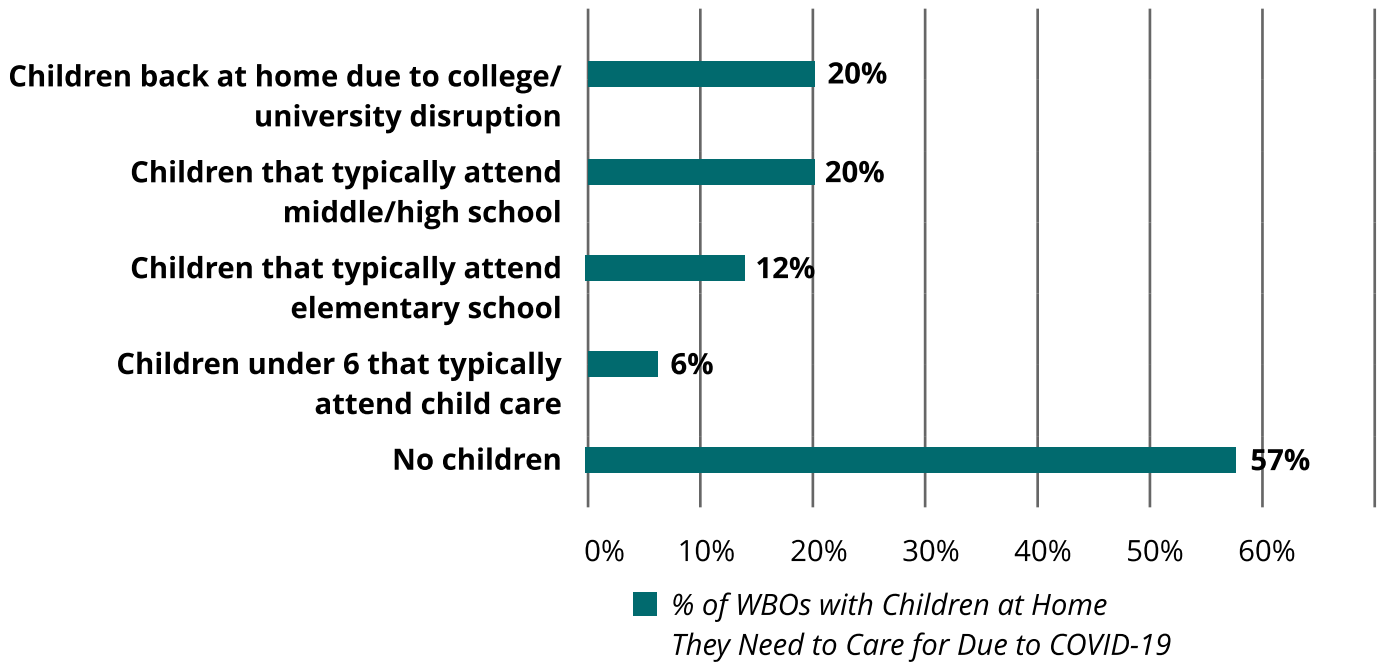
Unique Characteristics of WBOs

WBOs are diverse in industry, as well as diverse in business structure and personal characteristics. The impact of COVID-19 on a WBO depends on the unique situations of the WBO. Many WBOs report having extra stress during COVID-19 due to the closure of schools and daycare. More than 43% of WBOs have children at home they are now required to care for during working hours because of COVID-19. These WBOs report how this creates extra stress as having to care for their business, employees, and now caring for their children's needs.

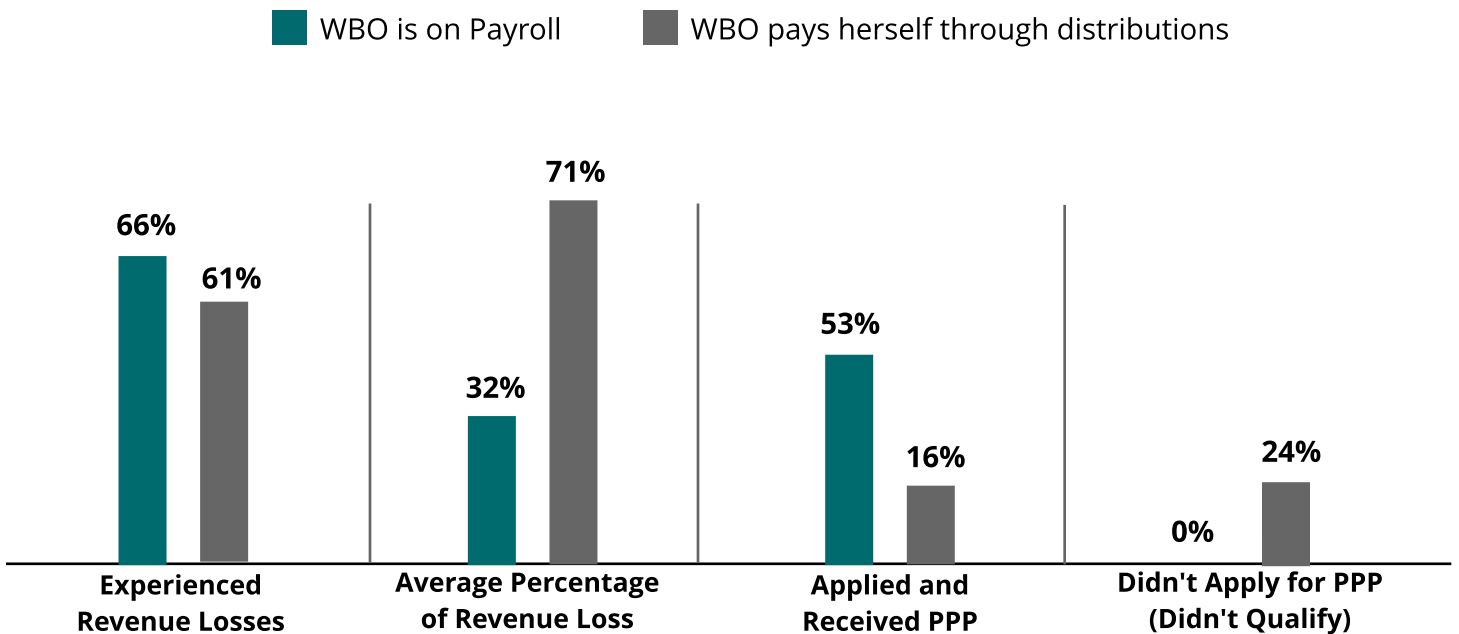
Some small business owners choose to structure their business so that they receive a paycheck through their payroll and others decide to pay themselves through distributions throughout the year. Approximately half (56%) of WBOs report receiving a paycheck (i.e. they are on payroll) through their business. The other half report paying themselves through distributions from the business. WBOs who are not on their business's payroll are impacted disproportionately greater than those who are on payroll. Both WBOs reported experience revenue losses over the past two months; yet WBOs not on payroll reported more than twice the amount of revenue losses than those WBOs on payroll (71% vs. 32% respectively). Only 16% of WBOs not on payroll received the PPP versus 53% of the WBOs who were on payroll. Several WBOs not on payroll (24%) did not qualify for PPP.



% of WBOs with Children at Home They Need to Care for Due to COVID-19



Impact of COVID-19 Based on WBOs' Payroll Structures



What WBOs Need Moving Forward



WBOs were asked what they needed most to moving forward and what specifically the government can do to assist them with reopening or reestablishing their business. More than 50 WBOs provided an open-ended answer. The following summarizes the themes and a selection of responses that capture the themes.

Reopen Ohio Safely (30% of Responses)

- Continue getting people safely back to work so unemployment slows.
- The government can open the economy!
- Allow us to reopen.
- Continue to re-open the country safely our country was not meant to be closed.

Government Grants/Loans (26% of Responses)

- Support in helping business owners successfully complete the paperwork/calculations to have PPP loans forgiven. The PPP loan applications were confusing, and we want to be sure to get our loans forgiven with the proper paperwork to make that happen.
- The government can get PPP funding into the hands of small businesses. EDIL and PPP have not processed due to not having an SBA loan. The process has been slow.
- Approve the SBA Economic Disaster Loan.
- Stimulus relief or self-employed Micropreneur support.
- Additional forgivable loans would be good to maintain payroll.
- Extend the length of time or push out the measurement period for the PPP Loan forgiveness. We will never be able to get our headcount back up while businesses are still closed. The eight weeks will expire before people can be hired back.

Safety Guidelines Access to Safety Equipment (10% of Responses)

- Guidance on how to return to work, especially when working across multiple states.
- Access to masks, gloves, and hand sanitizer.

Government Contracts/Government Operations (7% of Responses)

- Government contracts for my business.
- Make sure that there are sufficient people in state agencies to review, approve and process invoices.
- Need government agencies to open and resume business.

Testing/Vaccine (7% of Responses)

- We need testing.
- Antibody testing.
- We need to find a vaccine so we can get back to real business. It will remain a patchwork until we do because because are nervous, and cautious, and not going to think beyond hanging on.

Eliminate Fear (6% of Responses)

- I need them to help other small businesses who are my clients and feel that they've needed to cut back on my services due to a cash crunch.
- Businesses are scared to spend any money. Can you calm their fear and offer certainty?
- The biggest thing that will impact my business is consumer confidence and the economy.
- The government helping with confidence that we are safe to open. So many people think they will die if they get COVID-19.

Reduction in Taxes (6% of Responses)

- Forgive or reduce tax payments.
- Income tax deferred or reduction.
- Lower payroll taxes.

Need to Open Large Gatherings/Child Care (5% of Responses)

- Without childcare and school open it is difficult to run my business and care for my children's needs. This will impact my productivity and ultimately my revenues, which could lead to layoffs of staff.
- As long as gatherings are limited to 10 people or less, I have no clients. I would need gatherings to be permitted up to 100 or more guests before I can start working again.
- Travel and conventions need to come back safely.



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