



NEWS RELEASE

# New Report Reveals How the Covid Crisis Could Set Back a Generation of Women in Business

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**Mastercard Index of Women Entrepreneurs demands innovative, gender-specific support for women throughout pandemic recovery**

PURCHASE, N.Y.--(BUSINESS WIRE)-- Women across the world have been disproportionately impacted by the Covid-19 pandemic – a staggering 87% of women business owners say they have been adversely affected. Over representation in sectors hardest hit by the economic downturn, the pronounced digital gender gap in an increasingly virtual world, and the mounting pressures of childcare responsibilities are only a few factors that have left women particularly vulnerable.

In tackling this stark disparity and unlocking the fullest potential of women in business, the Mastercard Index of Women Entrepreneurs (MIWE) 2020 report findings make a compelling case for building on targeted gender-specific policy best practices internationally.

## Gender-targeted policies drive forward women’s entrepreneurial success

Now in its fourth year, the MIWE highlights the vast socio-economic contributions of women entrepreneurs across the world, as well as providing insight on the factors driving and inhibiting their advancement. Through a unique methodology – drawing on publicly available data from leading international organisations, such as the OECD and International Labour Organization – MIWE 2020 includes a global ranking on the advancement of women in business in pre-pandemic conditions across 58 economies, representing almost 80% of the female labour force.

MIWE 2020’s top performing economy is a prime example of gender-specific support mechanisms having swift and

significant results. For the first time in the MIWE's history, Israel tops the charts as the best economy for women entrepreneurs worldwide, advancing from 4th place in 2019. With an ambition to double the number of female entrepreneurs within two years, Israel's success has been driven by a focussed institutional backing for SMEs – its 'Support for SMEs' ranking catapulted from 42nd place in 2019, to 1st in 2020. Similarly, Switzerland has advanced from 11th position in 2019, to 3rd overall in 2020, spurred on by sharp improvement in government-led support for SMEs (up 37% from 2019) and a resulting uptick in cultural perceptions of entrepreneurialism (up 45% from 2019).

## Covid-19 has posed set-backs, but also opportunity

MIWE 2020 also provides initial analysis on the ramifications of Covid-19 on women at work, and draws out effective support policies. Although differing from economy to economy, those proving most effective include expansive relief measures for SMEs – from wage subsidies to furlough schemes and fiscal bailouts – as well as state childcare support.

Crucially, the report presents an optimistic outlook for the future of women entrepreneurs. It indicates that the pandemic could prove a catalyst for exponential progress for women in business and an opportunity to course-correct inherent gender bias. It draws on a number of points to illustrate this, notably:

- The Covid-19 era presents an empowering narrative for women in leadership, providing inspiration at a time when cultural barriers and fear of failure still impede some women from business ventures. Covid-19 has highlighted women's ability to lead under extraordinary circumstances. Female world leaders such as Prime Minister Jacinda Ardern of New Zealand, Chancellor Angela Merkel of Germany and Prime Minister Sanna Marin of Finland have presided over some of the most successful efforts in containing Covid-19 while instilling order, assurance, trust and calm. With almost half (47.8%) of female entrepreneurs report being driven by a desire to contribute to the greater societal good, the impact these leaders have cannot be underestimated.
- Women in business are already demonstrating marked adaptability, despite extensive barriers to success. On the frontline, women business owners are adapting to the new world of work with renewed confidence. 42% have shifted to a digital business model and 34% have identified new business opportunities since the pandemic.
- The 'next normal' presents a once in a lifetime opportunity to remove existing barriers, driving greater gender participation and parity for women in business. As well as magnifying severalfold the many disparities women in business face – from the digital gender gap to financial inclusion – Covid-19 has been an intense stimulus for structural progress. For example, prior to the pandemic, the financial global gender disparity had remained static for almost a decade. However, Covid-19 has propelled progress in this area - with the UK government setting up bank accounts for over 1.2 million people in just two days at the height of the

pandemic, and over 11 million informal workers in Brazil applied for saving accounts in order to receive emergency government funds.

The report notes that implications of these observations are profound. It further demonstrates the untapped value of women as leaders and, critically, highlights the role of the pandemic in expediting progressive solutions. Leveraging this momentum and championing gender-specific initiatives will be critical to realising women's potential and winding down the \$172 trillion lost globally (World Bank) due to the differences in lifetime earnings between women and men.

## Mastercard's commitment to driving forward inclusion

Sue Kelsey, Executive Vice President, Global Consumer Products and Financial Inclusion, Mastercard said: "A crisis will always reveal vulnerabilities in the system, and Covid-19 has done that in spades. We have seen the staggering extent of the disparity women in business face. But unlike any other economic downturn, Covid-19 has also paved the way for considerable progress and we have seen what we can be achieved when priority is given. However, are we brave enough to seize the opportunity, to listen to the data outlined in MIWE 2020 and act accordingly? Or will we cling on to a failed system, and allow the pandemic to shave off progress to date?"

"These are critical questions decisions makers need to have at the fore as they plan their road to economic recovery. Collectively, governments, financial services and business organizations need to ensure they are offering the right support programmes, solutions and innovation to enable female entrepreneurs the opportunity to thrive in the world's new normal."

The MIWE report is just one component in Mastercard's broader mission to drive forward the advancement of the disconnected and disadvantaged, with a particular commitment to support and help advance female entrepreneurs and small businesses through initiatives such as its Start Path and Path to Priceless programmes. In 2020, Mastercard expanded its worldwide financial inclusion commitment, pledging to bring a total of one billion people and 50 million micro and small businesses into the digital economy by 2025. As part of this effort, there will be a direct focus on providing 25 million women entrepreneurs with solutions that can help them grow their businesses, through a range of initiatives crossing funding, mentoring and the development of inclusive technologies.

Download the Mastercard Index of Women Entrepreneurs 2020 report and supporting assets [here](#). Read more about our efforts to engage, enable and empower women [here](#).

## MIWE methodology

The Mastercard Index of Women Entrepreneurs provides world-leading analysis on how women in business are progressing across 58 global economies. Representing almost 80 percent of the international female labour force, the MIWE provides deep-dive analysis on the socioeconomic factors propelling and inhibiting their success.

Through a unique methodology – involving detailed analysis across 12 indicators and 25 sub-indicators spanning Advancement Outcomes, Knowledge Assets & Financial Access, and Supporting Entrepreneurial Conditions – the index ranks 58 individual economies according to performance over the past year. Aggregating these scores, the index is able to provide an overall grading of how successful individual economies are in advancing female entrepreneurialism in comparison to peers in pre-Covid conditions.

This year's report also provides additional analysis on the early ramifications of emergency measures implemented by governments and business for women entrepreneurs in response to the Covid-19 pandemic across 40 global economies.

The Mastercard Index of Women Entrepreneurs findings provide clarity and understanding for governments, policymakers, stakeholders, businesses and individuals alike wishing to understand the crucial role of women in business and apply learnings from global economies.

## About Mastercard

Mastercard (NYSE: MA) is a global technology company in the payments industry. Our mission is to connect and power an inclusive, digital economy that benefits everyone, everywhere by making transactions safe, simple, smart and accessible. Using secure data and networks, partnerships and passion, our innovations and solutions help individuals, financial institutions, governments and businesses realize their greatest potential. Our decency quotient, or DQ, drives our culture and everything we do inside and outside of our company. With connections across more than 210 economies, we are building a sustainable world that unlocks priceless possibilities for all.

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Rose Beaumont | +44 (20) 7557 5199 | [Rose.Beaumont@mastercard.com](mailto:Rose.Beaumont@mastercard.com)

Julia Monti | +1 (914) 249 6135 | [Julia.Monti@mastercard.com](mailto:Julia.Monti@mastercard.com)

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