



2021 Financial Confidence Survey Report

Bouncing back from COVID setbacks

While we can't say we're living in a post-pandemic world yet, it is clear that business owners are adjusting to their new normal. While 2020 was all about facing unprecedented challenges and reshaping the way we do business, 2021 is about finding opportunities for growth amidst change.

To better understand the struggles of women in business, we spoke to them to gain their perspectives on the market and their plans for the future.

We discussed their strategies for adapting to the pandemic landscape, growth plans, current roadblocks for success and more. Nearly half of businesses report that they expect a "return to normal" within 4-12 months, and many have adopted permanent changes like increased digital presence, virtual networking, and more.

While historically, about 60% of women report they experience some barriers to success due to their gender, we also found that nearly three-fourths of women believe gender equality will improve in the next five years.

Though women continue to face unique challenges and biases within the business world, if there's anything the past two years have shown us is their strength and adaptability in trying times.

COVID and economy remain top concerns

The constant stream of news regarding the pandemic and current market has been unavoidable the past two years. Two-thirds of respondents cited these as top concerns for their business, heavily influencing their confidence in growth, plans for the future, and overall outlook.

Regardless of confidence levels, business owners agree that COVID and the economy are always top of mind. Those in the under \$5M group, however, place more emphasis on tax reform and international trade issues in 2021.

While different issues concern the different groups, COVID and the economy continue to be the driving forces. However, things are looking up from the previous year.

Confidence on the rise

Though they haven't reached pre-pandemic levels, we are pleased to report that women's confidence in a variety of areas is improving. From handling business and finances to conducting negotiations, women are feeling more capable than in previous years.

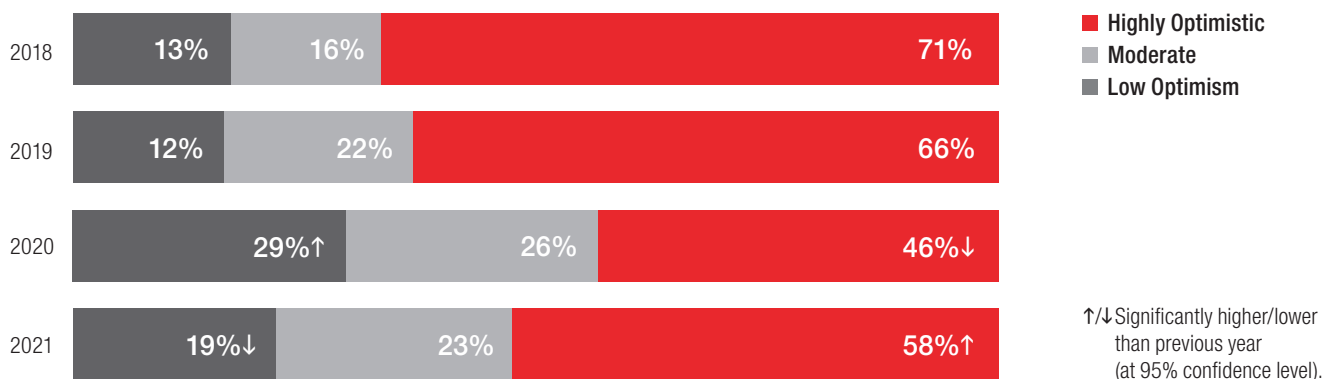
In the face of adversity, women business owners remain strong, adapting and thriving in a variety of conditions.

Planning for growth

Optimism regarding reaching business goals over the next year has significantly improved from 2020 levels, suggesting a renewed sense of hope in the market. While still below 2019 levels, we're excited by this growth among business owners, with 58% saying they're highly optimistic about reaching their goals.

Optimism toward achieving goals

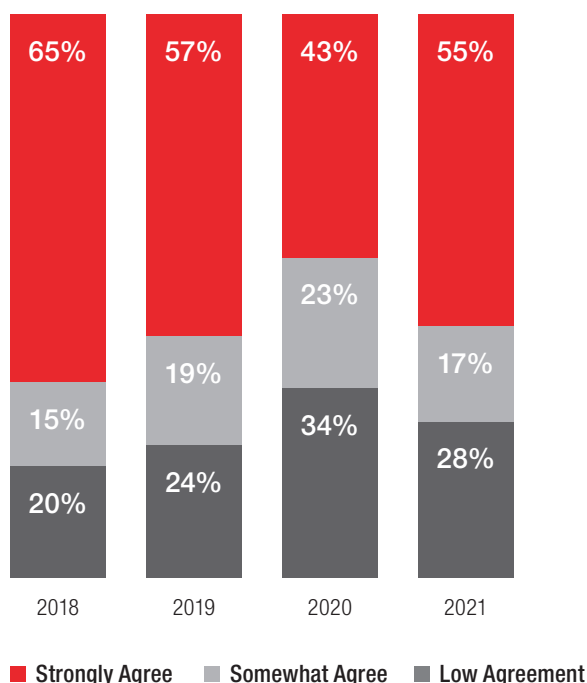
in the next 12 months



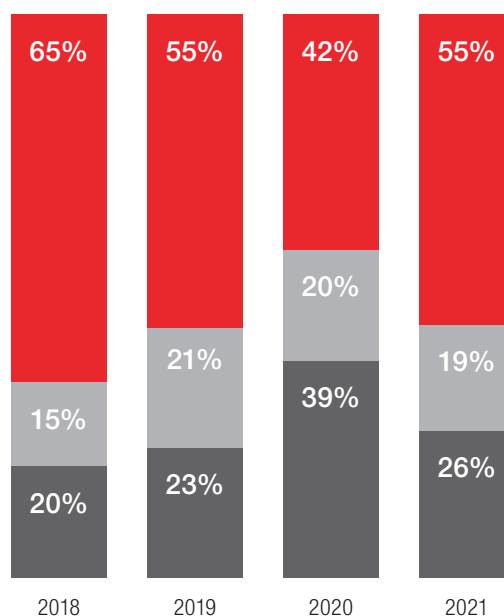
Personal finances look promising

Overall, respondents reported strong confidence in their personal financial futures as well as in the financial health of their businesses. Confidence levels in both of these categories have significantly improved over 2020 and are nearly at pre-pandemic levels. Additionally these results show the direct correlation between business outlook and personal success and we are excited to see how these levels continue to grow in the future.

I am very confident in my personal financial future



I am very confident about the financial wellness/health of my business



Lasting impacts of COVID

Despite rising levels of optimism, 6 in 10 women report continued negative effects the pandemic has had on their business. Namely, many saw a decrease in profits, productivity, and sales/demand.

We've already noted the pandemic and economy as leading factors to this outlook; things like the ability to hire good workers, employee healthcare costs, and business cash flow are also top concerns.

While these are negative feelings, the good news is that only 16% report "substantial" harmful consequences. This is down from 2020's 20%.

From trouble attracting customers and finding employees to maintaining productivity, businesses have encountered an increase in operational problems. However, they've incorporated some innovative changes to address these and continue to thrive in challenging times.

Sentiment included:

2021 negative impact

- “ **Revenue was significantly decreased**, and we lost employees during the pandemic.
- **We had to shut down for a few months**, and with COVID protocols, our business was cut in half once we re-opened.
 - Some people have got COVID and have been **unable to work**.
 - We were **forced to work from home** and take a lot of protection.
 - Business was slow because **people were afraid to come**.
 - It impacted the business **because of the shutdowns and mandates**. The economy was losing money.

Changes that are here to stay

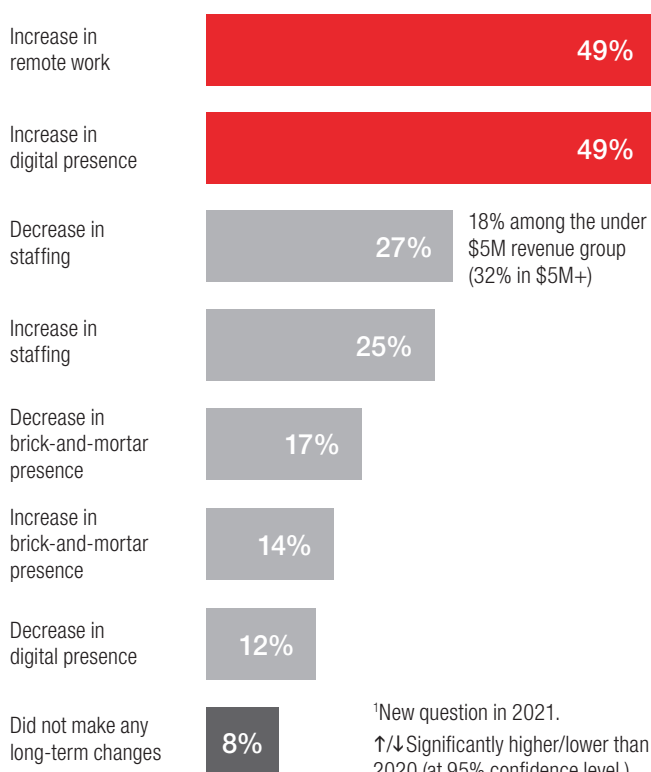
No matter how COVID impacted your business, in order to stay afloat we've all had to make significant changes to our operations.

Things like increased digital presence and remote work options seem to be permanent fixtures in the new business landscape.

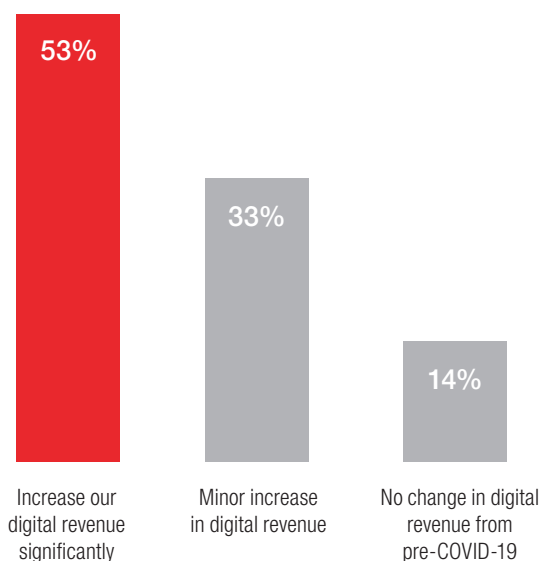
The good news is, dramatic changes in staffing and brick-and-mortar presence seem to be on the decline, suggesting an increase in business stability.

Changes like increased digital presence in some cases have actually led to higher revenue.

Long-term changes due to COVID¹



Impact of COVID on digital revenue



This goes to show that women in business are able to find opportunity even in the toughest circumstances.

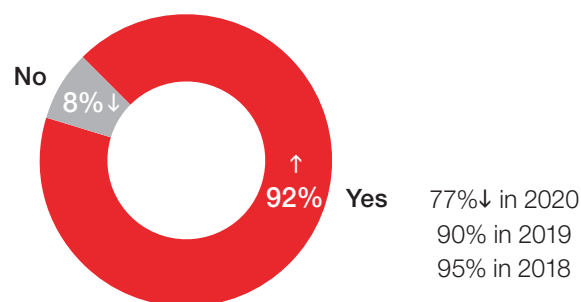
So, what's the new normal?

We've been hearing the term "new normal" probably more than ever. The question is, what does this look like for businesses? While many businesses expect to return to normal within 4-12 months, we think it's more accurate to say they hope to return to pre-pandemic growth goals.

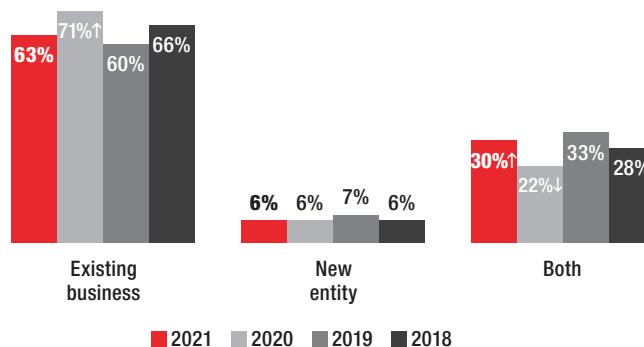
The fact of the matter is that while businesses should remain confident in their abilities and optimistic in the future, the pandemic has forever changed the way consumers and businesses interact.

We're happy to see that despite recent hardships, businesses are planning for growth and expansion in the coming year.

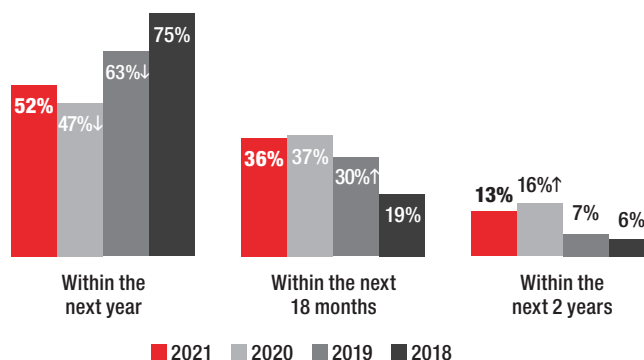
Plans for growth/expansion within the next two years?



Scope of expansion



Expected expansion timeline



Things like innovating new products and services as well as investing in employee development seem to be key contributors to this growth. Also, women are joining networking groups and attending virtual conferences to fill in professional development gaps that have resulted from the pandemic.

Participation in these types of groups and events generally promotes an increased confidence in business results overall.

What's next?

- Reach out to your banker about what the right next steps are for you.
- Build your network and professional relationships to gain more insights into how your peers are handling current challenges.
- Look for collaborative opportunities with other local businesses or connections in your network.
- Partner with other businesses to offer more comprehensive solutions and create operational efficiencies.
- Join organizations that can provide you with additional resources and support.
- Take advantage of opportunities and aid from national organizations, like the SBA's Office of Women Business Owners and NAWBO and local groups such as Chambers of Commerce.



Key4Women: Empowering women in business

Established in 2005, Key4Women provides a wealth of resources to help women meet their personal and professional goals.

- Customized financial services and advice from Key4Women Certified Advisors who are committed to your financial confidence and success. Our Certified Advisors have facilitated more than \$12 billion in loans to women-owned businesses.
- Exclusive member events and forums with industry experts to help foster professional and business development while creating lasting connections with industry leaders and professionals.
- Timely and robust thought leadership content and insights covering the latest in financial and business trends to help women succeed.
- Strong support of national and local women organizations.

The support you need

To schedule an appointment with a banker or if you have any questions, email us at Key4Women@keybank.com.

For more Key4Women resources to help you reach your goals, visit key.com/women.

Connect with us on:

