



Empowering every business, everywhere

Leveraging Mastercard's suite of products, partnerships and data insights to **empower every business**

The small business sector is **critical** to economies worldwide



Over **150MM**
SMEs globally¹



They contribute
~50% of global GDP²



SMEs employ **2/3** of
the world's workforce³



Minorities own
over **45%** of SMEs⁴

Yet, small and medium enterprises remain **underserved**. Until recently, this sector received fewer resources due to the complexity of the segment and the cost to serve.

Mastercard committed **\$250 million** to support the sector by giving access to tools and resources – reaching underserved small businesses across the globe.

1: Kaiser Associates, "Quantifying the Value of Small Business Products," January 2017
2: RTI Small Business Vertical Research, Study Commissioned by Mastercard, 2016
3: "The Future of FinTech: A Paradigm Shift in Small Business Finance," World Economic Forum, 2015,
4: World Bank <https://www.enterprisesurveys.org/en/data/exploretopics/gender>



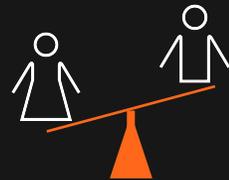
While women owned and led small businesses are important contributors to the economy, they are often impacted by inequality and exclusion, but they are also key to stimulating the local economy

Mastercard Index of Women Entrepreneurs found regardless of an economy's wealth, level of development, size and geographic location, **women are disproportionately more vulnerable** to the wholesale disruption caused by the pandemic.

Data demonstrates that there are 2 broad factors at work here:

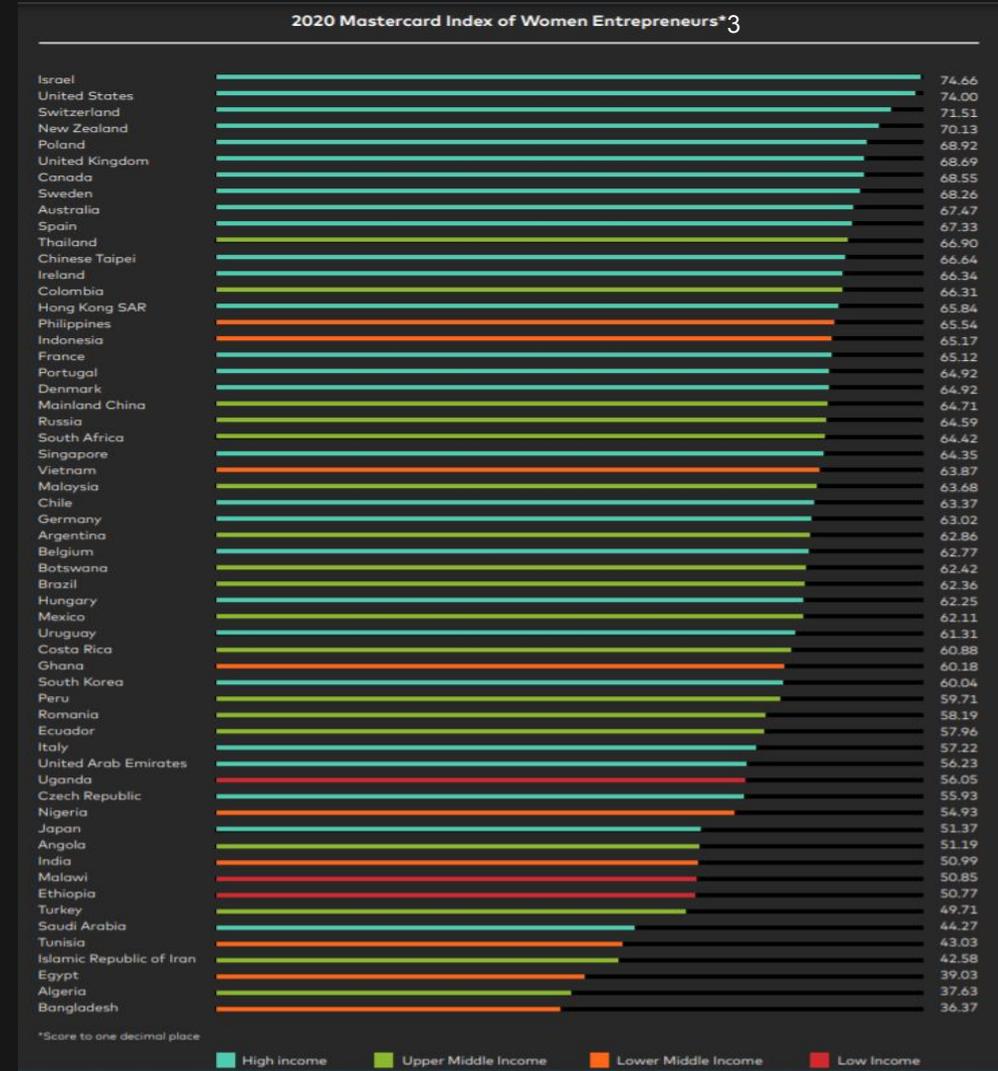


over representation of women in the jobs and sectors that have been hit the hardest



pre-existing gender disparity in business

Mastercard has pledged to bring **half a billion** more people into the formal economy and added a target of **50 million** micro and small businesses, including **25 million** owned or run by women by 2025. Additionally, we've committed **\$500 million** to help close racial and ethnic disparities



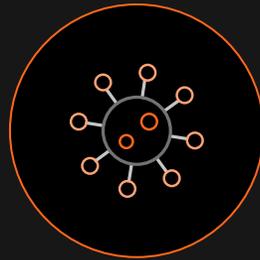
Small and medium businesses are an **integral** part of the business landscape, and that landscape is changing



Advances in technology and a growing preference for **digital experiences** has changed the way consumers shop



Governments are **digitalizing industries** to stimulate growth and prevent fraud, and new regulations are **enabling competition** and **unlocking value** within payments



COVID-19 has amplified the needs of small and medium businesses, and they are undergoing **accelerated change** to adapt, address consumer needs and **embrace digital platforms**



Consumers are eager to reward small businesses for omnichannel shopping and payment options



78% 83% Mastercard

like being able to shop at small businesses that now have an online presence.



73% 79% Millennial
77% Gen X

would shop at small businesses more if they offered more payment options.



37% 41% Gen Z

feel more secure shopping at small businesses than large retailers.

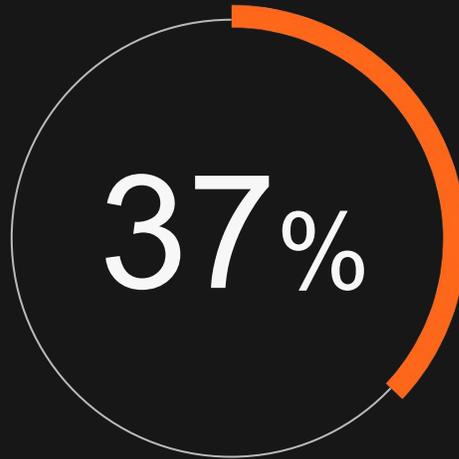


The pandemic has created opportunities for women entrepreneurs

On the frontline, some women business owners are already reacting to our new world of work with renewed confidence and adaptability, tapping into new business opportunities or realigning their business models to cater to new consumer behavior and local or global needs



have shifted to a digital business model



are developing an area of business to meet local or global needs



have identified new business opportunities since the pandemic



At Mastercard, we are focused on helping SMEs overcome critical challenges:

1

Unmet **payments** needs

SMEs need better ways to pay.

- **82%** of SMEs in developed markets are using personal card products for their small business¹
- **99%** of SMEs in developing markets are using personal card products for their small business¹

2

Struggle to **get paid**

SMEs need better ways to get paid.

- **82%** of SMEs that fail do so due to cash management issues¹
- **77%** of SMEs experience slow payments from large corporations²
- **64%** have unpaid invoices longer than 60 days²

3

Limited access to **working capital**

SMEs need better access to working capital.

- **53%** of SMEs who applied for financing received either less than or none of what they sought³
- **70%** of women-owned small & medium businesses with credit needs are unserved or underserved⁴

4

Lack of **digitalization**

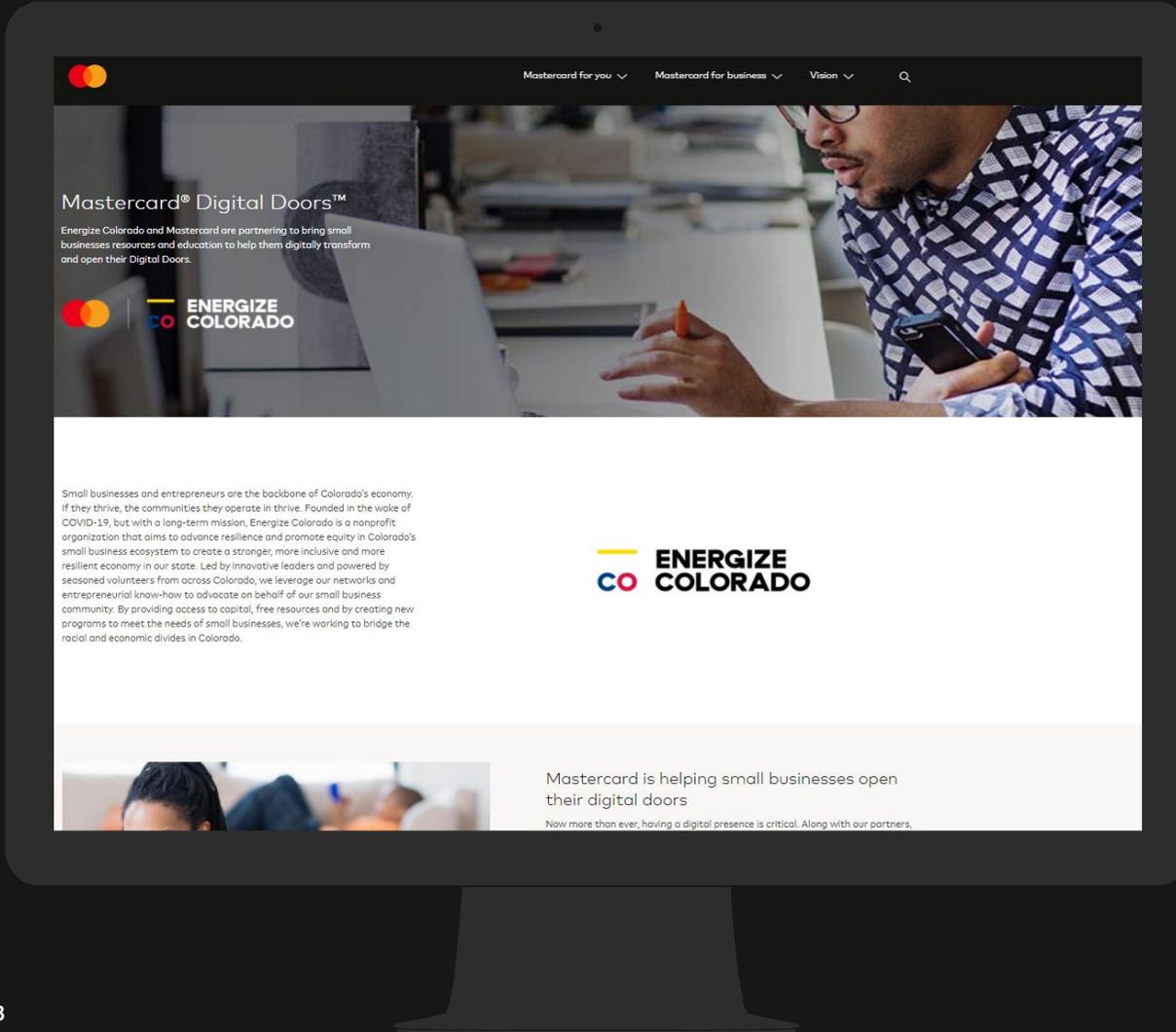
SMEs need digital tools and capabilities.

- Between April and May 2020, more than \$53B of incremental spending occurred on e-commerce channels in the US, compared to 2019⁵
- Only **46%** of small merchants were Card Not Present ready, versus nearly **70%** of large merchants in April 2020⁶

1. Kaiser Associates, "Quantifying the Value of Small Business Products," January 2017 2. Intuit, Feb 2019 3. 2018 Federal Reserve Small Business Credit Survey 4. IFC, 2014
5. Pymnts. "The Rise Of Card-On-File Commerce." PYMNTS.com. June 01, 2020
6. Mastercard Clearing Data, June 2020



Providing resources to digitally enable small businesses in Colorado



- Energize Colorado focuses on bridging the racial and economic divides in Colorado and promoting equity in small business' ecosystems.
- They have a [Gap Fund program](#) where they've supplied grants to over 2,000 small businesses, 57% of which were BIPOC owned. (For context, only 5% of businesses in Colorado are black-owned.)
- We created a [Co-Branded Digital Doors Site](#) for them to bring small businesses resources and education to help them digitally transform and open their Digital Doors., which they are incorporating into their [Digital Readiness Initiative](#).
- Digital Doors will be one of the key resources they are looking to provide the 700,000 small businesses in Colorado and will complement their series of Webinars, Action Plans, and Guides.



Helping CDFIs digitize their platforms to quickly deploy capital

- Community Development Financial Institutions (CDFIs) are critical to helping vulnerable businesses survive COVID-19.
- The Mastercard Center for Inclusive Growth helped partners Grameen America and Community Reinvestment Fund increase capacity to digitize their platforms and reinvested in them so they could quickly deploy capital to entrepreneurs in need.
- This resulted in:
 - Community Reinvestment Fund (CRF) increasing disbursement from \$1 billion to \$6 billion in loan capital from the federal Paycheck Protection Program (PPP).
 - Grameen America going 100 percent virtual and funding critical relief activities for low-income women entrepreneurs like loan forgiveness, payment holidays and digital repayment fees.



IMPACT

“The social model that drives most of the microfinance industry in India and Bangladesh has come to a screeching halt since the stay-at-home orders have been mandated...But here in the U.S., thanks to the support of [Mastercard], Citi and Apple, we are up and running on every single process of the loan program and deploying loans within hours in 15 cities, engaging with our members and giving them health and economic resilience when they need it most.”

Andrea Jung
CEO, Grameen America

Data & insights for equitable growth & recovery

Mastercard is supporting governments at all levels to track and monitor economic health and identify areas that may require additional government investment



Digital Acceleration Index

Evaluates the impact of U.S. single location merchants going digital during COVID-19



Public Policy Paper

Recommends government roles and policy objectives to help SMEs build back better and stronger



City Insights

A City Possible platform that connects network members to a curated collection of Mastercard data sources, services and tools



Mastercard is dedicated to

Empowering Every Business

We believe in those who take risks, chase dreams and put it all on the line to create a business. So we've created solutions to unlock potential and keep them moving forward.

We're connecting small business owners to tools and training so they can securely pay, get paid, get capital, and get digital wherever they are.

We're leveraging our insights to guide ideas, our innovations to build solutions and our network to fuel momentum.

When we work together, we're a team that can drive economic equality and empower every business, everywhere. We're dedicated to enabling businesses to survive and thrive, stronger than before.

And that is **empowering every business.**



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Thank you

Empowering Every Business Resources

- ▶ [Main Street Resource Center](#)
- ▶ [City Insights](#)
- ▶ [The Mastercard Index of Women Entrepreneurs 2020 Report](#)
- ▶ [Mastercard Center for Inclusive Growth](#)
- ▶ [Public Policy Paper & Digital Acceleration Index](#) (Coming soon!)

