



2023 Financial Confidence Survey Report

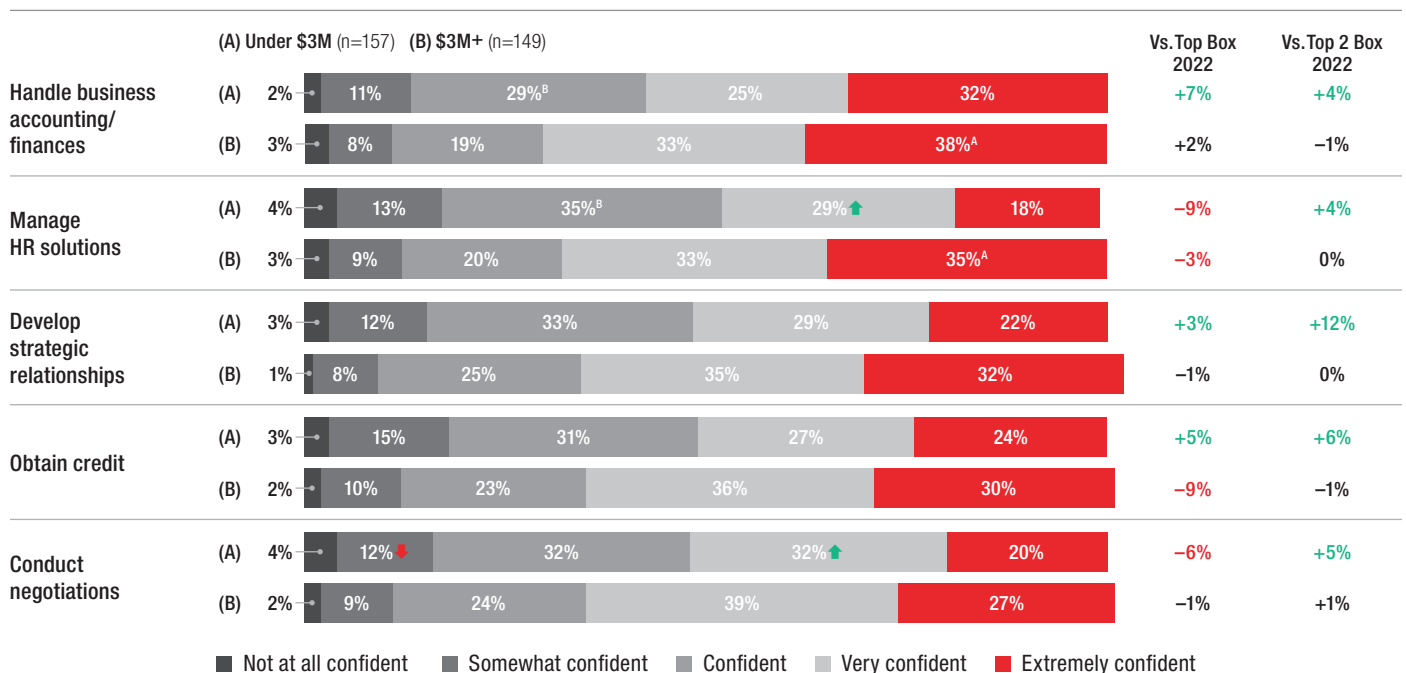
Managing confidence gaps across revenue segments

While businesses of all different sizes have their own unique challenges, overall, women-owned businesses in the \$3M+ revenue segment express more confidence in their abilities across the board. This is unsurprising due to a direct correlation between revenue and resources like finances, educational opportunities, and talent retention.

While there are differences across all business areas, 2023 saw the biggest confidence gap between these revenue segments for managing HR solutions and developing strategic relationships. Women-owned businesses making over \$3M are far more confident than their under-\$3M counterparts in these key areas. However, those in the \$3M+ segment have declined in confidence surrounding obtaining credit, most likely due to economic factors.

The good news is confidence in conducting negotiations has remained steady for businesses over \$3M and increased for businesses in the under-\$3M bracket when comparing year over year.

Confidence in ability to...



Letters denote statistical significance. Arrows denote statistical significance YOY.

When finances get personal

While both revenue groups' confidence in their personal and business financial health has slightly declined since 2022, the overall trend leans more confident than not, with the 3M+ revenue segment leading in all confidence categories. The ties between personal and business financial confidence are stronger than you may initially think.

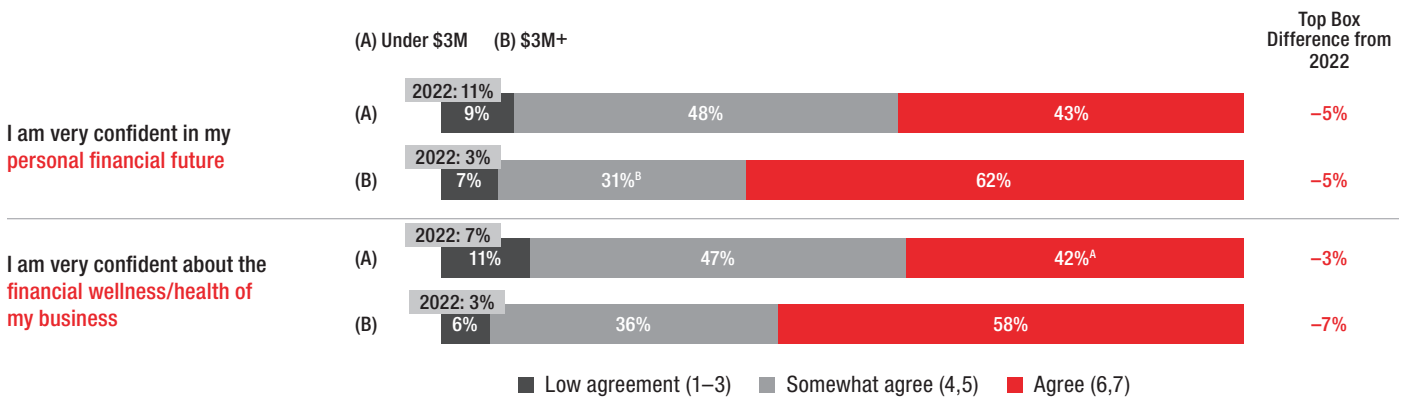
Upholding an attitude of financial confidence in one's personal life almost certainly helps maintain that optimism professionally and allows business owners to focus on running their business. It also demonstrates a command of financial literacy and decisiveness that is beneficial across

the board. Whether it's formulating a monthly budget or managing loan payments, discipline and clarity in your personal finances also benefit your professional life.

Personal and business financial confidence is critical to the success of a business. A business owner's ability to access capital when they want to start or grow their business includes not only consideration of their business finances but also the strength of their personal finances and credit score. Both require careful attention and a trusted financial advisor to help guide them.

While certain dips in confidence are unavoidable, women can continue to push for a stronger outlook amid economic uncertainty by surrounding themselves with a great advisor they trust and with whom they can share fully.

Agreement with...



Letters denote statistical significance.

Optimism for the future remains strong

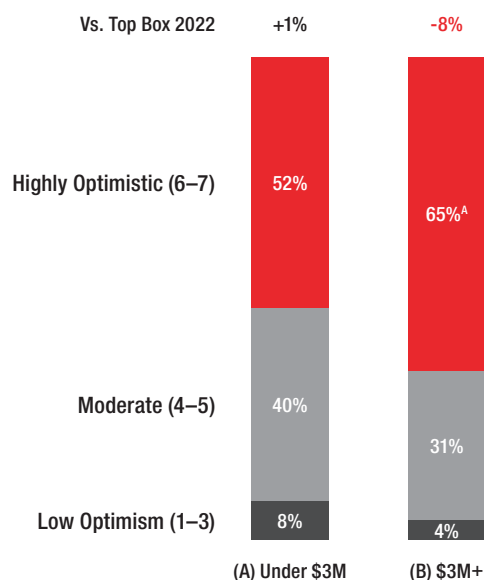
While optimistic outlooks have softened for \$3M+ revenue groups, outlooks for the future among women in business are trending majority positive. Even with factors like inflation and the U.S. economy remaining top concerns amongst women, we are seeing both revenue segments feel more confident than not in their ability to achieve their goals.

Women in the \$3M+ revenue segment are substantially more confident in their ability to attract and retain talent and utilize technology for their business. Cash flow remains a key concern in future outlooks for the under \$3M segment. Interestingly, the \$3M+ group cites an increased focus on implementing new internal processes, highlighting women's continued strides in improving and progressing in the workplace.

After a rocky few years in the business landscape, it's hopeful to see women in both revenue segments expressing optimism and excitement for the future.

Optimism toward achieving goals

– in the next 12 months –



Top reasons for outlook

| | (A) Under \$3M | (B) \$3M+ |
|---|----------------|--------------------|
| The U.S. Economy | 52% | 48% |
| Inflation | 42% | 38% |
| Ability to attract and retain employees | 15% | 30% ^A |
| Implement and maintain technology | 13% | 28% ^A ↑ |
| My business' cash flow | 27% | 21% |
| Marketing/sales efforts | 14% | 16% |
| Supply chain constraints | 14% | 16% |
| New/different internal processes | 11% | 17% ↑ |
| World events | 13% | 14% ↓ |
| Employee healthcare costs | 12% | 12% |
| Access to credit | 11% | 7% |
| Tax reform | 5% ↓ | 7% ↓ |
| International trade issues | 3% | 6% |

Letters denote statistical significance between groups. Arrows denote statistical significance YOY.

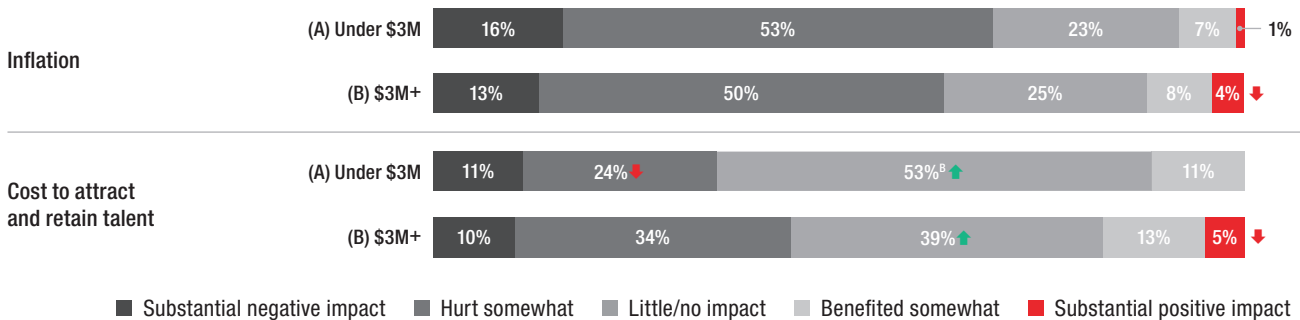
Inflation remains a primary concern among businesses

Two-thirds of women in business have experienced a negative impact from inflation. Those in the \$3M+ segment have been able to mitigate the aftermath of inflation only slightly more than those in the under \$3M segment.

Another shift this year has been the rising costs of talent attraction and retention. In the \$3M+ segment, businesses have felt this positive and negative impact, speaking to the changing workforce landscape with factors like remote options and a wider talent pool to pull from. Companies under \$3M are less affected by the changes in talent management.

The good news is that despite inflation being a difficult reality for many women in business, they remain resilient in the face of a changing economy.

Business impact



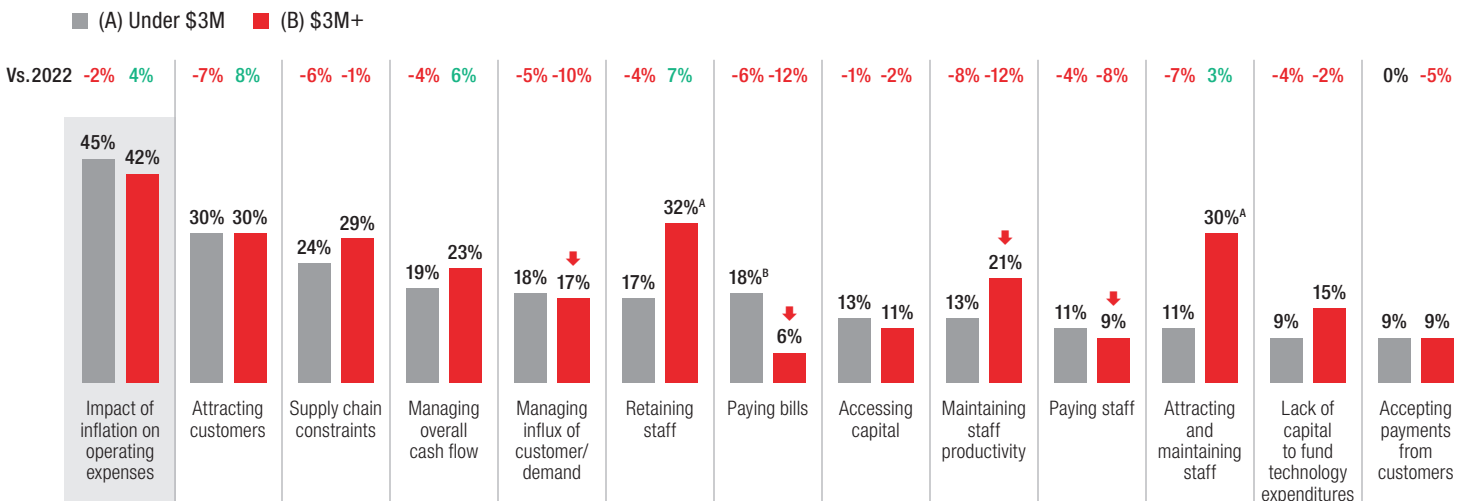
Letters denote statistical significance. Arrows denote statistical significance YOY.

Operating costs causing strain for all businesses

Each revenue segment feels the pain from inflation when managing overall costs, while \$3M+ revenue businesses are struggling with talent retention. However, managing demand, paying bills, and maintaining productivity are notably lesser concerns this year. As we move farther away from the COVID-19 aftermath, concerns over supply chain issues are also declining while still sitting as a top three concern.

When looking at the top business challenges for both revenue segments, overall anxiety seems to be trending downward since 2022. This could indicate perceived economic stability or better acclimation to an ever-changing economic climate.

Top business challenges



Letters denote statistical significance. Arrows denote statistical significance YOY.

Navigating gender barriers

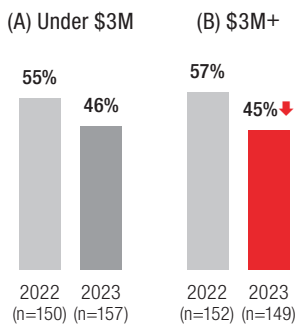
As women in business, we know that there are unique obstacles we must overcome. While progress is slow, it's constant. Significantly fewer women in the \$3M+ revenue segment reported facing a success barrier due to gender. Still, an overwhelming amount in each group experience gender bias in the workplace.

However, approximately 65% of women believe that the number of businesses owned by women will be similar to those owned by men, if not outpace them, in the next five years

years, showcasing women's growing confidence in their professional futures. That's why it's so critical to provide women with the resources and support they need to maintain this positive momentum.

Nearly two-thirds (61%) of women in both segments feel gender barriers are due to negative perceptions about their capabilities. This can mean things like not being taken seriously in the workplace, industry-related bias, or difficulty advancing. While none of these struggles are new, as we create a more equitable future, it's important to be aware of them and challenge them.

Experienced barriers to success due to gender



Nature of barriers experienced

| | |
|---|------------|
| Perceptions of capabilities | 61% |
| Not capable, not taken seriously | 30% |
| Difficulty advancing, promotions | 13% |
| Industry-related bias | 6% |
| Doubted by customers, vendors | 5% |
| Different work titles than men/not equal | 5% |
| General difficulty, have to work harder | 19% |
| Discrimination, harassment, poor treatment | 18% |
| Financial barriers | 12% |
| Money, salary equity | 9% |

"I feel like people don't take me seriously. Things are harder even still for a woman to succeed as a man would in business."

"I have been held back both in position and earnings due to my gender."

"Issues as a woman in construction."

"I don't believe I always get taken seriously as a woman in business by some of my male counterparts or some male reps that I work with through other vendors."

"Many times the men I deal with are only concerned with my appearance. At times people think I am a secretary and not head of the department."

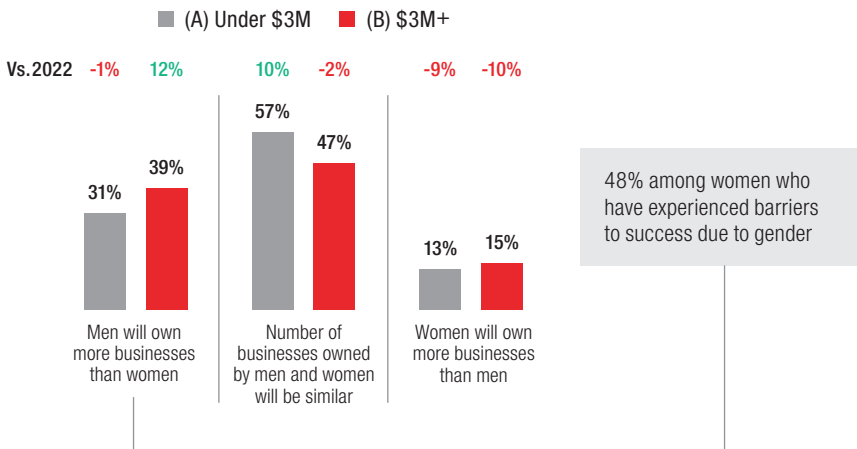
"Having to work extra to get ahead is challenging when being a mom."

"Not being paid enough, not having a title that actually fits my job duties."

"People just have no confidence that I could start and maintain my business without obtaining help or a loan."

"It's hard to be taken seriously, especially when talking about money."

Most likely to occur in the next five years



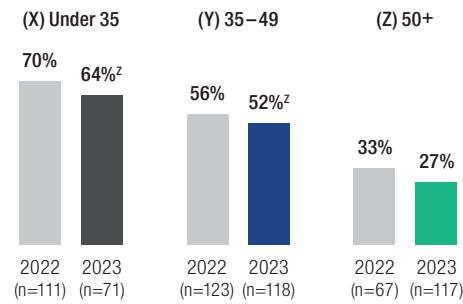
Letters denote statistical significance. Arrows denote statistical significance YOY.

Generational differences in gender bias

Gen X and Baby Boomer women are less likely to express they've experienced gender-related barriers to success. A possible explanation for this may be generational stigmas regarding gender disparities. The number of Millennial and Gen Z women who believe that men will continue to own more businesses than women has risen year after year. Numbers like these can feel disheartening, but they're not always what meets the eye. As younger generations feel more comfortable openly discussing gender barriers, the barriers become easier to understand and overcome.

Experienced barriers to success due to gender

(Percent Yes)



Letters denote statistical significance. Arrows denote statistical significance YOY.

Most likely to occur in the next five years

| | (X) Under 35 (n=71) | (Y) 35-49 (n=118) | (Z) 50+ (n=117) |
|---|------------------------|----------------------|--------------------|
| Men will continue to open more businesses than women | 31% [↑] | 31% | 44% ^Y |
| The number of businesses owned by men and women will be similar | 46% | 50% | 50% |
| Women will own more businesses than men | 19% ^z | 19% ^z | 6% [↓] |

Letters denote statistical significance. Arrows denote statistical significance YOY.

Slow, steady progress towards a brighter future

Women business owners and women in business continue to fight gender and economic hurdles every day. From managing competency bias to navigating unpredictable economic factors, these professionals are no strangers to a challenge. However, as each year presents new, dynamic concerns, one truth remains constant: women in business continually adapt to create a stronger, more equitable future for all.

For more information on our efforts to support women in business, visit key4women.com.

Key4Women: Empowering women in business

Established in 2005, Key4Women provides a network and platform for women in business to:

- Make meaningful connections
- Get involved with our local networking events
- Tap into capital to build and grow their businesses
- Get tailored financial services and advice from a local Key4Women certified advisor, including integrated wealth management
- Access intellectual resources and articles on a variety of topics
- Connect with us on LinkedIn, Twitter, and Facebook



The information contained herein has been obtained from sources deemed to be reliable, but it is not represented to be accurate, complete, or objective. This is designed to provide general information only and is not comprehensive nor is it legal, accounting, or tax advice. KeyBank may have current positions or strategies that may be inconsistent with any views expressed herein.

All credit products can be applied for through KeyBank and subject to collateral and/or credit approval, terms, conditions, availability and are subject to change.

Key4Women is a registered trademark of KeyCorp. Key.com is a federally registered service mark of KeyCorp.

©2024 KeyCorp. KeyBank Member FDIC. 240321-2511296