



THE VOICE OF VCs

What 100K digital discussions and A.I. reveal about the true barriers women face raising capital

A collaboration between researchers at Harvard Kennedy School's Women and Public Policy Program and CulturIntel™, conducting a never-done-before study to understand the specific barriers women face raising capital, and differences by ethnicity, based on the analysis of 84,345 open-source digital discussions among VCs about women founders.

WHY THIS MATTERS

While women-owned businesses have grown almost five times the national average at

58% versus **12%**

for businesses overall, according to WBENC, they still lag behind in their ability to secure capital.

Female startup founders receive only

2.3%

of venture capital dollars invested in the United States, while mixed-gender founding teams with at least one woman receive another **10.4%**. The picture is even more concerning for Latina and black female founders, who—despite their impressive growth rate of **163%** over the last decade—get less than **1%** of total VC funding.



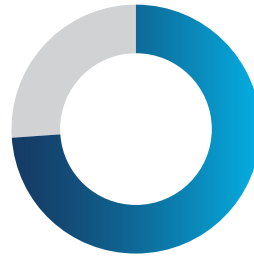
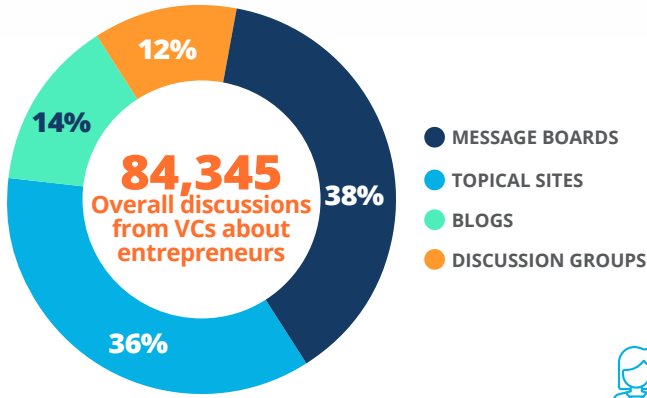
BACKGROUND ON THE STUDY

Though the state of women-owned businesses are experiencing tremendous growth in the industry, women founders continue to lack the proper funding and investments needed to grow their businesses compared to their male counterparts. Thus, CulturIntel™-in collaboration with researchers from Harvard

University's John F. Kennedy School of Government-analyzed the online conversations of venture capitalists (VCs) to understand the key drivers and barriers they have toward women entrepreneurs that both encourage and prevent women-owned businesses from obtaining capital.



HOW MANY DIGITAL CONVERSATIONS ABOUT WOMEN FOUNDERS FROM VCS?



74% of conversations happen on topical sites and message boards representing the largest share of destinations.

17% Online of online conversations are about women entrepreneurs (14,394).

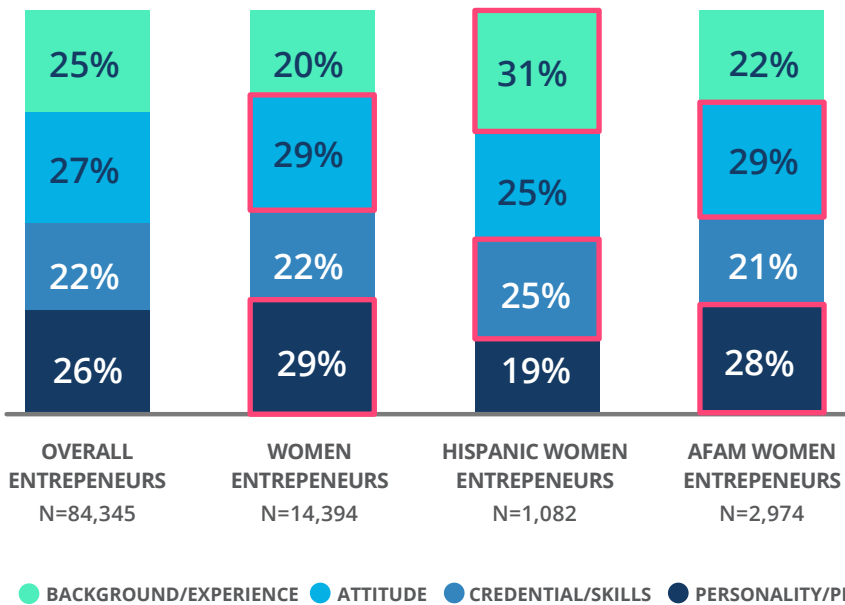
1.3% of all conversations are about Hispanic women entrepreneurs (1,082).

3.5% of all conversations are about African American women entrepreneurs (2,974).

*Monitored over a 24-month timeframe starting September 14th, 2016.



THE WAYS VCS EVALUATE ENTREPRENEURS DIFFER DEPENDING IF THE FOUNDER IS A WOMAN, LATINA OR AFRICAN-AMERICAN WOMAN FOUNDER.



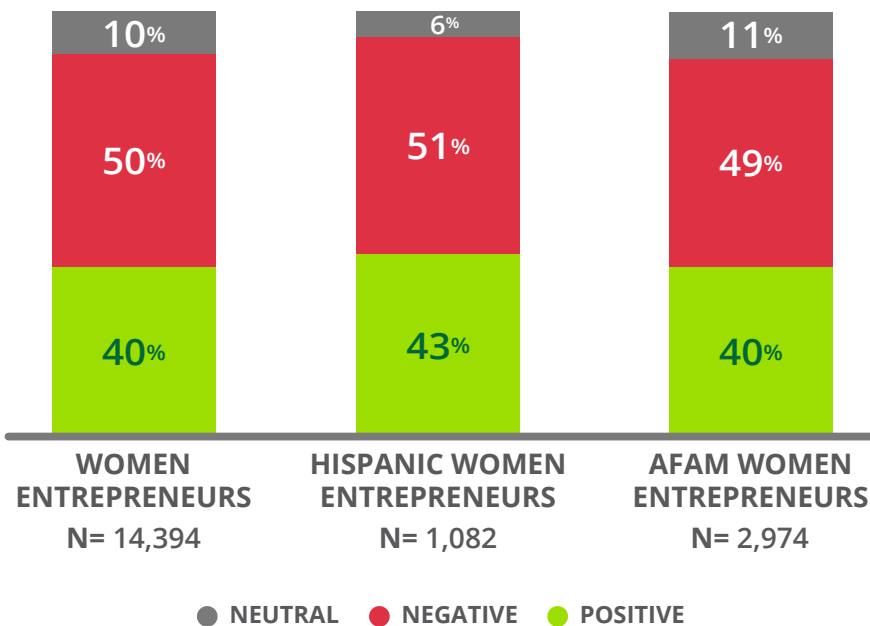
“Perseverance. Creating companies is hard sh*t — founders need to be able to get right back up after they are knocked down. Over and over again.”

“Coachable. If confident, self aware and has a growth mind-set, you are probably in good shape here. I also like working with people who do not shy away from confrontation and hard conversations.”

“What we try to understand is, What is driving this person? What experiences inform their judgment? How might they behave under conditions of uncertainty in the future? How will they recruit and retain people?”



HOW DO VCS FEEL ABOUT WOMEN FOUNDERS?



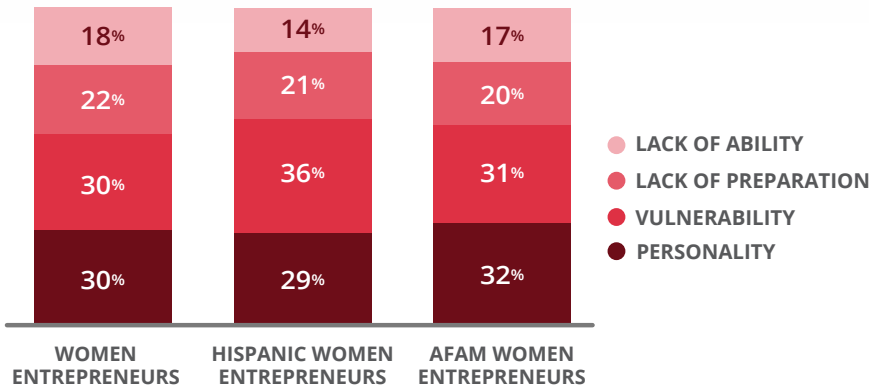
Investors are more polarized about women entrepreneurs: they are more negative and slightly more positive about them, too.

Hispanic women entrepreneurs are viewed the most negative, but also the most positive compared to the overall population of entrepreneurs.

VCS are the most neutral about African American women entrepreneurs, indicating a small knowledge gap.



WHY DO VCS FEEL NEGATIVE ABOUT WOMEN FOUNDERS?



NEGATIVE WORDS THAT VCS USE TO DESCRIBE WOMEN

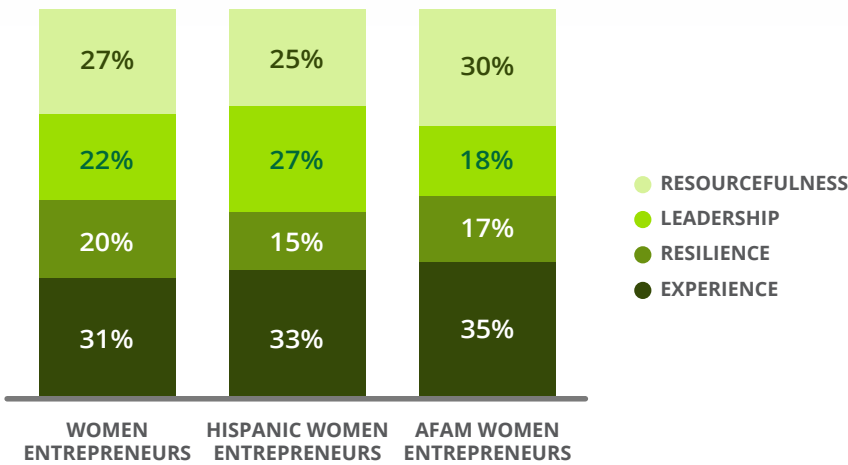
- Aggressive · Inexperienced
- Limited knowledge of the process
- Lack the ability for growth

60% of VCs' barriers to women entrepreneurs are subjective. That's 25% more than for overall entrepreneurs.

- Investors feel more negative about women founders because they perceive them as more vulnerable than other entrepreneurs.
- According to investors, women founders' personalities can be seen as a negative driver.
- Women founders-especially Hispanic and African-American women entrepreneurs - are judged the least based on their readiness and ability, compared to overall entrepreneurs.
- Hispanic women entrepreneurs face the highest rate of subjective barriers compared to the other women segments.



WHY DO VCS FEEL POSITIVE ABOUT WOMEN FOUNDERS?



POSITIVE WORDS VCS USE TO DESCRIBE WOMEN

- Solutions-Driven · Determined
- Visionary · Team-Oriented · Capable
- Qualified · Demonstrated success

Investors who positively view women founders perceive their experience and resourcefulness as some of their top qualities.

Women founders, especially African-American women founders, are positively perceived mostly for their experience.

VCs feel equally positive about the leadership skills of overall entrepreneurs and Hispanic women founders.

KEY OPPORTUNITIES



Raise the profile on women entrepreneurs and showcase their contribution to the entrepreneurial segment.



Create platforms for women to connect with investors and informally discuss what investors are looking for.



Open up about the bias investors have towards women entrepreneurs regarding their soft skills as a barrier.



Empower women entrepreneurs with training, tools, and content to craft their story and highlight their experience and credentials.



Give a voice to the investors who already feel positive towards women entrepreneurs.



ABOUT OUR METHODOLOGY

CulturIntel™ is a proprietary algorithm using leading technologies in artificial intelligence (A.I.), machine learning, and big data to turn open-source digital discussions into agile insights and Cultural Intelligence® that represent the unsolicited and authentic voice of the people-by segments, globally. The method has been awarded and featured at the United Nations, The World Economic Forum and published in collaboration with researchers at Harvard University, among others.