

Women-founded startups raised 1.9% of all VC funds in 2022, a drop from 2021

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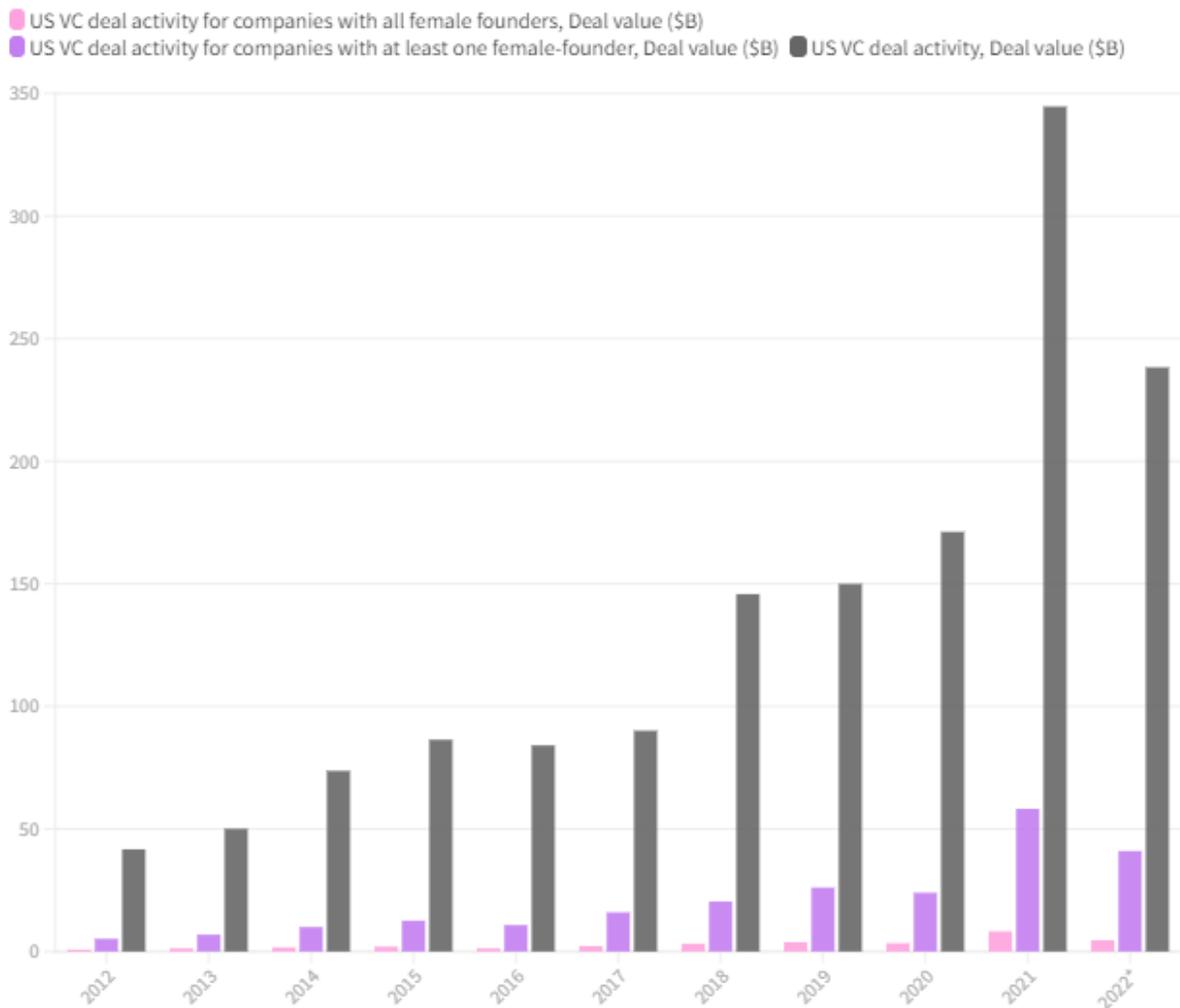
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Last year, U.S. startups with all-women teams received 1.9% (or around \$4.5 billion) out of around the \$238.3 billion in venture capital allocated, according to the latest PitchBook data.

That percentage is a notable drop from the 2.4% all-women teams raised in 2021. The decline was expected, given the economic climate of last year: the bear, the bust, the winter. In fact, aside from 2016, the last time all-women-led startups raised such a low percentage of funds was in 2012, another period of funding decline caused by economic uncertainty and an election.

Fitting, almost. And naturally, the **percentage of funds raised** increases when an “all-women team” turns into having “at least one women founder,” signifying the importance of always keeping a man in the room. The augmentation is quite noticeable, too: All-women teams raised 1.9% of VC funds last year, a percentage that skyrocketed to 17.2% when the team was mixed-gender. This trend has remained consistent for at least a decade.

US VC deal activity



Source: [PitchBook](#)

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Data visualization by **Miranda Halpern**, created with **Flourish**

“When the economy tanks, discrimination feels justified,” **Ruth Foxe Blader**, a partner at Anthemis Group, told TechCrunch. “Managers double down on what they perceive as ‘safe’ and ‘boring.’ Investing in women is still perceived as high-risk. LPs need to look

beyond manager diversity and into their investment portfolios if we want to change this industry; 1.9% is deplorable.”

There is good news, however.

The capital invested in female-founded companies, including mixed-gender teams, is at its second-highest level, only bypassed by the record-breaking year that was 2021. Deal count for all-female-founded teams also remains at its second-highest (with 1,001 closed), right behind the 1,190 closed in 2021. The Bay Area is still the top place for all-women teams to raise funding, with New York close behind. The Big Apple remains, however, the top place for all-female teams in terms of deal count, followed by the Bay Area and LA.

Plus, the 1.9% of VC funds all-female teams raised in the U.S. is a bit better than what their counterparts received in Europe, a percentage currently **hovering around 1.1%**. Though culturally apart, Europe and North America **are societally together** when it comes to gender discrimination.

Olivia DeRamus, the founder of the social network app **Communia**, said that until these systemic issues are addressed, especially within the investment industry, it will remain difficult to move the needle toward equality.

“There are still deeply entrenched biases against women, and given that founders often create solutions for problems we experience firsthand, our companies may solve a need that male investors don’t understand or appreciate,” DeRamus told TechCrunch. “It’s a constant battle just to be taken seriously, even if our companies have even more compelling growth, traction and metrics than startups run by male founders.”

DeRamus hesitated to fundraise for her company and said she’s now focused on earning revenue earlier, so she isn’t rushed to raise, even if that means “a more modest growth trajectory due to investment constraints,” she said. “The more I’ve networked and understood this industry, the less eager I was to rush into an imperfect system.”

Kelly Ifill, the founder of the **fintech Guava**, said she wasn’t surprised that funding to women founders dropped. “Changing those numbers requires a lot of reflective work to get past unconscious biases, considering ‘nontraditional’ backgrounds and places, and frankly being more open,” she told TechCrunch. “Venture is exclusionary by definition.

... It's a fact that women-led businesses have a higher rate of success over the long term. If investors are really looking at the data, that's the fact."

Alas, as [TechCrunch](#) previously reported, facts aren't what drive investors to fund founders.