

Evidence & Sources

The Women Entrepreneur Investment Gender-Gap.

This document provides clear and up-to-date evidence proving the very-real benefits of investing in women, as well as highlighting the ongoing severe gender disparity in capital raising both in Australia, and globally.

This is a working document, with resources added on an ongoing basis.

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Why Women-Owned Startups Are a Better Bet

There is a clear business case for GLI from a risk, return, and business development perspective. Companies in the top quartile of gender diversity in executive teams are 21% more likely to outperform the market on profitability and 27% more likely to have great value creation. *A Roadmap for Australian Investors - report outlines how to invest to achieve gender equity, racial equity, diversity and inclusion 2022.*

Start-ups founded and co-founded by women actually performed better over time, generating 10 per cent more in cumulative revenue over a five-year period, *AFR 2021*

Investing in women is a \$3 trillion + opportunity, *Medium 2020*

All-male teams that complete an accelerator raise 2.6x more capital than all-male teams that do not participate; female-founded teams, on the other hand, saw no difference in total funds raised with and without accelerator participation, *We-fi 2020*

Women-led teams generate a 35% higher return on investment than all-male teams, *Ewing Marion Kauffman Foundation 2019*

Startups founded or co-founded by women receive far less funding, *BCG 2018*

Funded women-led companies performed 63% better than all-male companies, *First Round Capital 2015*

The Benefits of Investing in Women/Diversity & Their Businesses

Women are an untapped and lucrative investment opportunity. Only 0.7% of funding secured by start-ups went to solely women-founded companies in FY22, *Deloitte & SBE 2022*

**SBE commissioned this report in collaboration with Scale Investors and Head over Heels.*

Increasing the number of women in the workplace improves outcomes for all levels of society. Building gender-inclusive workplaces unlocks greater prosperity, heightens resilience, and boosts socioeconomic progress, *BCG 2022*

Beyond diversity: Equity and inclusion as an overlooked opportunity for investors , *Regnan 2021*

**Summary [here](#)*

Diverse companies are more likely to financially outperform their peers, *McKinsey 2020*



[Want to Boost the Global Economy by \\$5 Trillion? Support Women as Entrepreneurs](#), BCG 2019

[Female-founded startups are taking substantially less time to exit than the overall market](#), Pitchbook 2019

The Gender-Investment Gap

[70% of femtech startups are founded by women, yet male-founded startups raise much more capital](#). Sifted, Backed by the Financial Times, 2023

[Women founder participation in deals reached an all-time high in 2022, 1 in 4, but their share of funding dropped to a level unseen in years](#). Australian Startup Funding 2022

[In a record year for Aussie startup funding, less than 0.03% went to WoC founders](#), Smart Company 2022

[In 2021, women-only teams received just 4% of Australian VC deal value](#), Squarepeg 2022

[Gender pay gaps favouring men exist in every age group. The gender pay gap is 2.5% for employees under 24 years old, and it increases at a constant rate before peaking at over 30%, an earnings difference of over \\$40,000 per year, for employees ages 45-64](#), Workplace Gender Equality Agency 2022

[The gender pay gap widens as women get older](#), ABC 2022

[Australia lags the world on gender-based investing](#), AFR 2022

[Just 2% of total capital raised went to female-only founder teams in 2021, with 83% of investors being men](#), Australian Startup Funding 2021

[Only 25% of the Bla\(c\)k Women and Women of Colour founders surveyed had managed to raise some funding between 2019 and 2021](#), Anyone Can/The CCO 2021

[Gender diversity of founders has only changed ~3% since 2010](#), Startup Genome 2021

[Bias within the VC industry is preventing funds from being allocated to the best investment opportunities](#), HBR 2020

[The key barriers for women entrepreneurs are lack of funding and networks](#), Sydney Morning Herald 2019



In 20 years, the number of female led businesses has increased by just 3%, Wade Institute 2019

Good News & Shifting the Dial

Australian investors are/ are trying to apply an active gender lens across their entire organisation, Capital Human & Impact Investing Australia 2022

**This report outlines how to invest to achieve gender equality, racial equity, diversity and inclusion.*

Following the findings outlined in their most recent report, Deloitte has established an entire department that focuses on 'breaking gender norms'. The report finds that more flexible ideas around gender could lead to an additional \$128 billion each year for Australia's economy and 461,000 additional full time employees, Deilotte 2022

US VC funding for female-founded or co-founded companies has been trending up in recent years, and 2021 saw the creation of several women-led funds, incubators for female founders and more new companies, Pitchbook 2022

During the first half of 2022, US startups with one or more female founders raised \$20.8 billion of venture funding, representing more than 93% of the deal value raised in the first half of 2021, Pitchbook 2022

Leading body investing funding the future of diverse investment (US), Female Founders Fund 2022

Women Entrepreneurship Monitor research highlights significant increase in growth-oriented women entrepreneurs worldwide, GEM Consortium 2021

Funding to female founders is on par with other major markets, but Australia has the opportunity to set a new global standard, Australian Startup Funding 2021

Over the 4 years covered by the report female founded companies (companies with at least 1 female founder) had secured \$5.8b AUD in funding, representing 23.7% of all Startup funding, TechBoard 2021

Venture capital is the asset class with the largest proportion of female employees, Preqin 2020

The Impacts of the Pandemic on Women-Founders

The pandemic has pushed a disproportionate number of them out of the workforce. Women's labour-force participation in oecd countries declined from 65% before covid-19 first hit to 63.8% a year later, *The Economist 2022*

The pandemic's onset put an abrupt halt to venture deals' 2019 upward trajectory. This report finds that female-founded companies especially have seen a disproportionate drop in capital invested relative to the country's broader venture space, *Pitchbook 2020*

Flexible working arrangements have a significant impact on the additional burden shouldered by Australian women during the ongoing pandemic. Australian women already spend 64.4% of their average working hours each week on unpaid work compared to 36.1% for men, *Workplace Gender Equality Agency 2020*

Startup investment in Australia hit new highs over the first six months of 2020, reaching US\$944.7 million, up from US\$627.3 million in H1 2019, *KPMG 2020*

Gender strategy

World Bank Gender Strategy 2024 - 2030: Accelerate Gender Equality for a Sustainable, Resilient and Inclusive Future. *World Bank, 2023*