

All In

Female Founders in the US VC Ecosystem

2021



Executive summary

The *All In Report*, now in its third edition, aims to quantify trends in the venture capital (VC) ecosystem involving female founders and investors. The goal is to go beyond anecdotes and drill down into the numbers to see where the industry stands. Some trends are positive and worth celebrating. Others are less positive but still need to be highlighted for the venture industry. As in past reports, the 2021 edition features a mix of both.

As we will detail throughout the report, COVID-19’s fallout impacted female founders harder than it did male founders and the overall venture market. The data bears that out, across annual, quarterly, and even monthly statistics. Less reported on, however, is the recovery that spans the first nine months of 2021. Several statistics in this report point to a

stronger recovery for female founders compared to the overall recovery.

But COVID-19’s impact went beyond deal activity. It impacted valuations, as well. For the first time in over a decade, valuations of female-founded companies at the early stage diverged significantly from the overall market, with a gap emerging in both 2020 and 2021. A similar story can be told at the late stage, where a gap already existed. Between 2019 and 2020, though, the gap widened, a trend that continued into 2021.

Those are just a few insights we uncovered in this edition of the *All In Report*. We have also broken down the numbers by cities, sectors, and exits. This year, we decided to spotlight female angel investors. Our data reveals massive growth over the past decade, both in the number of female angel investors and how much money

they are investing. Most interesting of all, though, is the increase in female angel investors backing female-founded companies. That trend has been gaining momentum since 2018, right around the time the #MeToo movement began.

The 2021 *All In Report* is co-sponsored by Beyond The Billion, which is tackling the gender funding gap through its global consortium of over 100 venture funds and LP investors pledged to invest and actively deploying over \$1 billion into the hands of female founders. As we were last year, we are thrilled to have their support. The report is also sponsored by J.P. Morgan, which recently published a groundbreaking study on gender diversity in startups’ boardrooms. We encourage our audience to read their study, which was supported by PitchBook data. To our sponsors: Thank you.

A note on methodology

Throughout this report, we refer to “female-founded companies” as VC-backed companies with at least one female founder, unless otherwise noted. The geographical scope of this report is focused on the US. Please refer to the final page of this publication for a more detailed methodology.

Contents

Executive summary	2
Overview	3-4
COVID-19’s impact	5
Q&A with Beyond The Billion	6-7
Infographic: Ecosystems	8-9
More female GPs today	10
By the numbers: Sector overview	12-13
J.P. Morgan: Sharing the stage	14-15
The exit scene	16
Female angel investors	18-19
Key takeaways and methodology	20

Overview

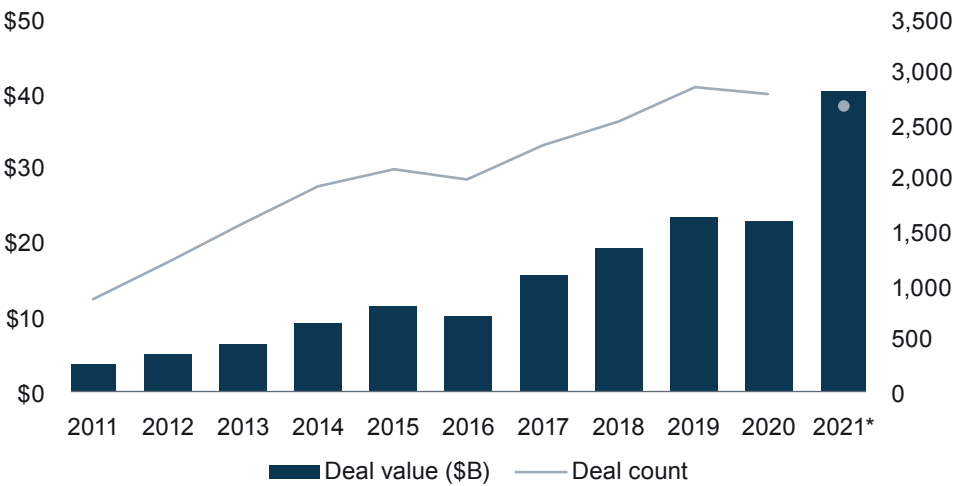
2020 was a telling year for female founders. Numerous data points in this report highlight the disparate impact of COVID-19 on male and female founders. The venture market as a whole did not have a bad year. Compared to 2019, the overall US startup ecosystem brought in 16.2% more venture dollars.

The same could not be said for female founders. In fact, 2020 revealed the opposite dynamic: Venture dollars invested in female-founded companies fell by 3.0%, while deal count fell by 2.2%. In other words, the pie was bigger, but female founders received a smaller slice.

Even as the recovery started to take shape between the second and third quarters, female-founded companies still lagged the overall VC market. Between Q2 and Q3, female-founded companies saw slightly fewer investments, while deal count across the industry as a whole rose 6.2%. The difference in deal value was even starker. Between Q2 and Q3, female-founded companies took in 8.1% fewer dollars, while the broader market saw 28.2% more.

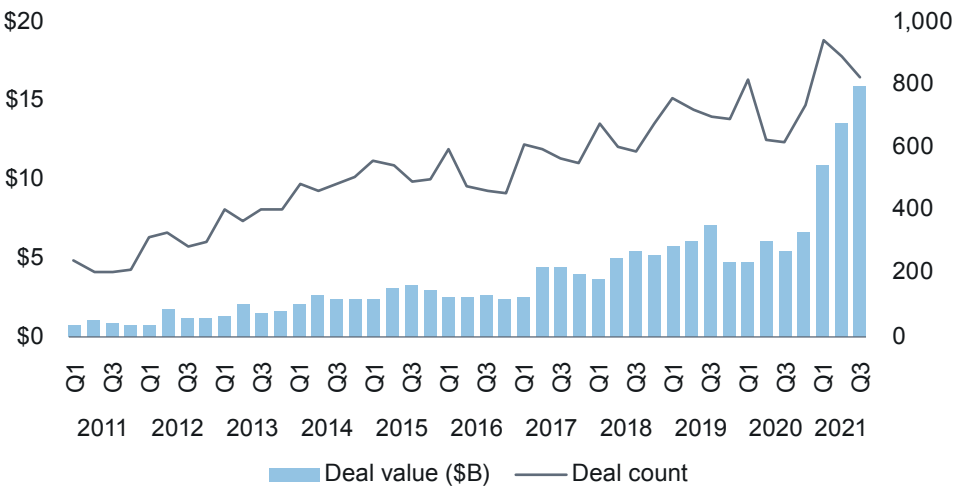
Circumstances only began to change in the fourth quarter, when deal value rose by 19.5% for female founders while the overall market’s fell by 7.4%. From that point forward, female founders regained their footing and outpaced the broader market, with an equally strong first quarter of 2021 and comparably stronger second and third quarters.

US VC deal activity for female-founded companies



Source: PitchBook
*As of September 30, 2021

US VC deal activity for female-founded companies



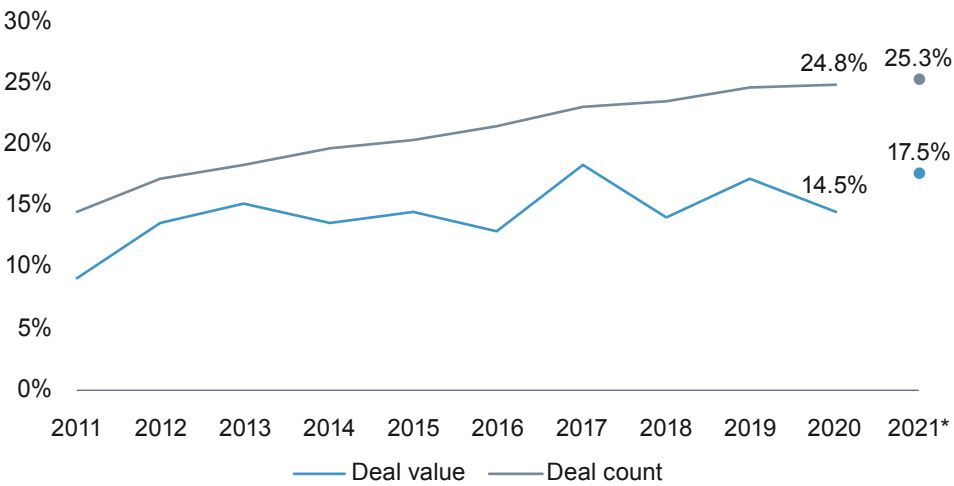
Source: PitchBook

As mentioned, COVID-19 also made an impact on valuations, especially at the early stage. For the past decade, early-stage valuations have hemmed closely between female founders and the market as a whole. The gap has always been there, but it has been relatively modest.

That changed in 2020. The median valuation for all early-stage startups increased 15.4% between 2019 and 2020, despite the pandemic. For female-founded companies at that stage, the median rose by 4.0%. The result was a \$4.0 million chasm between the overall market and female-founded companies, \$30.0 million versus \$26.0 million, respectively. The difference has sustained itself so far in 2021: \$45.7 million versus \$40.0 million.

The story is somewhat similar for late-stage valuations. At this end of the market, however, the gap has been wider and more visible for many years. The medians diverged further in 2020, with the overall market experiencing

Deal activity for female-founded companies as a share of all US VC deal activity



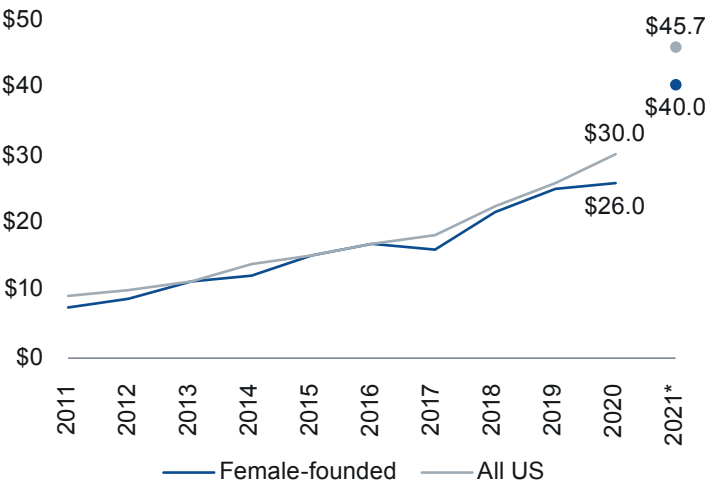
Source: PitchBook
*As of September 30, 2021

a 12.7% bump versus a 7.2% bump for female-founded companies. As with the early stage, the gap between median late-stage valuations has held steady in 2021. The median for the VC market overall is \$120.0 million, 71.4% higher than the full-year 2020 markup. For female-founded companies, the

median is \$100.0 million YTD, a 69.4% increase from 2020.

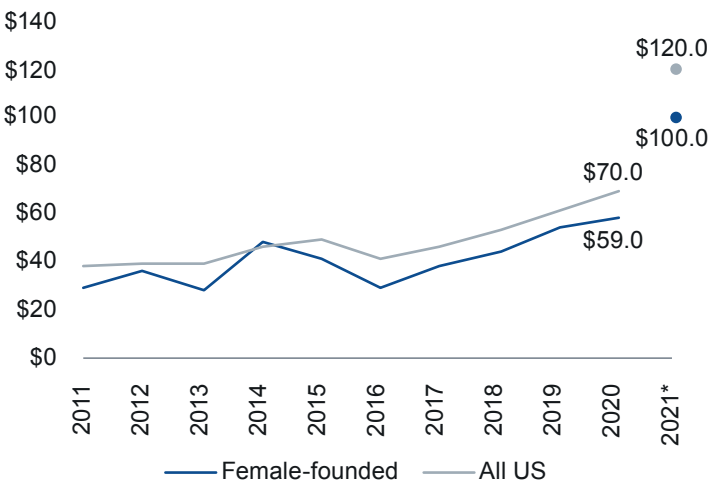
The relative slowdown in 2020 could impact median valuation figures over the near term, as future valuation step-ups are often influenced by a startup's last valuation.

Median US early-stage VC valuations (\$M)



Source: PitchBook
*As of September 30, 2021

Median US late-stage VC valuations (\$M)



Source: PitchBook
*As of September 30, 2021

COVID-19's impact

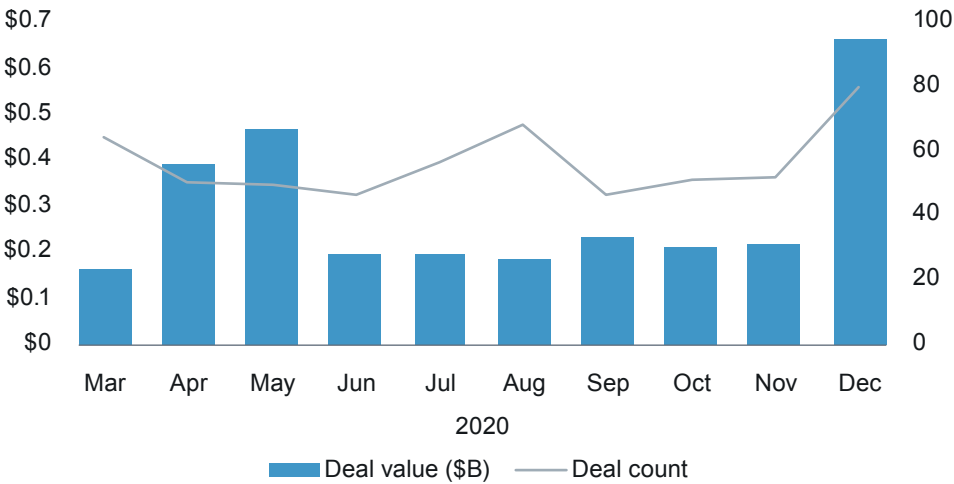
COVID-19's impact on female founders is easiest to detect when broken down by month.

Between March and June 2020, when state-wide quarantines were most prevalent across the US, companies founded solely by women saw 28.1% fewer investments. All-male-founded companies, by contrast, declined by only 5.4% in the same three-month window.

Through most of 2020, all-female-founded companies saw sporadic deal flow month to month, a trend that only reversed in December of that year. All-male-founded companies, on the other hand, saw incremental increases in deal volume throughout the year.

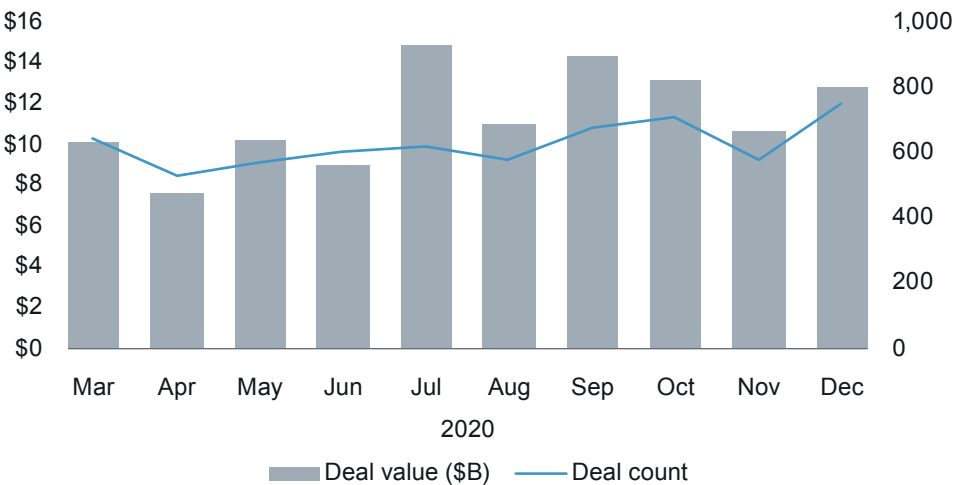
The trend started to revert toward the end of the year. Between November and December 2020, when the VC industry as a whole began to regain its footing, all-female-founded companies saw a 54.0% increase in deal volume versus a 24.0% increase for all-male-founded companies. While female founders ended the year on a strong note, the disproportionate impact was evident throughout 2020, especially during spring.

US VC deal activity for all-female-founded companies



Source: PitchBook

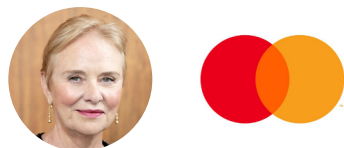
US VC deal activity for all-male-founded companies



Source: PitchBook

Female founders continue to outperform

Despite the challenges of the pandemic, female founders continued to outperform—exiting quicker and at higher valuations. While we at Beyond The Billion (BTB) are not surprised, we wanted to gather some of our best funders and asset allocators to share their insights on what they’re seeing on the ground and, importantly, how they’re fueling a more inclusive future.



Ann Cairns
Global Vice Chair, Mastercard

From new products and services, to adapting to an increasingly digital status quo, we’ve witnessed female-led businesses show even more resilience in the face of the global economic downturn. It is not news that businesses that incorporate diversity throughout their business, from senior leadership right through to entry level roles, outperform those that don’t.

Therefore, at Mastercard, we’re committed to supporting 25 million women entrepreneurs by 2025 as part of our broader financial inclusion goal. We help women entrepreneurs get paid, get capital, and get digital, because they drive global growth and innovation. As part of our ongoing investment into and support of women innovators and their funders, we are a sponsor of BTB itself, and also a lead investor in Astia’s early-stage venture fund, a BTB

Partner Fund aimed at addressing the extraordinary disparity in funding for companies that include women in founding or executive roles. We want to lead the charge in reshaping the way our world is designed, coded, and constructed by bringing diverse perspectives to the table to help unlock capital and powerful ideas that open our industry and the world’s possibilities to women.



Ollen Douglass
Managing Director, Motley Fool Ventures

Our fund continues to benefit from the talent and success of our women-led companies. We’re proud that, in total, we have placed approximately 35% of our invested capital into their businesses and continue to reap the returns. In 2021 alone, public companies acquired two of our women-led startups:

- Citus Health, led by CEO Melissa Kozak, was acquired

by Brightree, a cloud-connected medical device subsidiary of ResMed.

- Affectiva, led by CEO Rana el Kaliouby, Ph.D., was acquired by Smart Eye, a global leader in eye-tracking solutions.

These acquisitions underscore the value being created by our founders and their ability to grow world-class technology companies. While the first half of 2021 was punctuated by acquisitions, several portfolio companies are positioned to close rounds in Q4 at higher valuations, making 2021 another year of strong performance by our women-led enterprises.

We believe there are still many highly qualified, VC-backable, female-run companies seeking funding, and we look forward to working with them to generate outstanding returns for our limited partners (LPs) and to help make our portfolio reflect the best vision for our future.



Kay Parry
Managing Director, Fund Finance, Venture Banking, Pacific Western Bank

Our Fund Finance team has seen an acceleration of female-led investment funds coming to market over the last five years, especially in the last 18 to 24 months. We’ve observed that women checkwriters are more likely to allocate capital to female-founded companies. We see a number of reasons for this, including the impact of role-modeling. Many see the success stories that have gone before and think “If those women can do it, why can’t I?” The flywheel effect is beginning to take hold.

There is also growing recognition in the venture industry that great ideas and successful entrepreneurs can come from anywhere, and that the best returns are achieved with diverse teams. We have seen this in our business with an increase in the number of funds based outside of traditional large venture markets—namely, Silicon Valley and New York—and those that are led by women and/or other underrepresented groups. As importantly, this recognition extends to the LP community where diversity within portfolios is now a part of their diligence process. We have seen an uptick in the number of LPs with established dedicated allocations to funds led by women and other diverse groups, which should help great new funds come to market. We are excited by the progress made in 2021 and remain committed to

working toward the goal of a private investment industry that more fully reflects the breadth and depth of innovators and risk-takers in our country.



Anna Snider
Managing Director and Head of CIO Due Diligence, Bank of America

It is now a well-known fact that allocators from diverse backgrounds tend to allocate more capital to women and founders from other underrepresented groups compared with non-diverse allocator teams. In my role as head of manager selection, we have focused on looking at the diversity of the investment managers who are allocating capital to women and diverse founders. Our clients, both individual and institutional, are demanding greater transparency about how their capital is being allocated.

We are, of course, being driven by this demand, but also by our belief that it is important to 1) ensure that diversity across one’s portfolio not only relates to asset class and sector, but reflects the full universe of investable businesses, 2) provide access to businesses that are transformative to our economies and communities, and 3) provide clients with access to the returns that women and founders from underrepresented groups can generate. To this end, we have doubled down on efforts to not only source investments

that reflect Bank of America’s \$250 million-plus commitment to inclusive development, but have incorporated diversity, equity, and inclusion (DEI) criteria into our investment conviction in the managers to whom we entrust client capital.

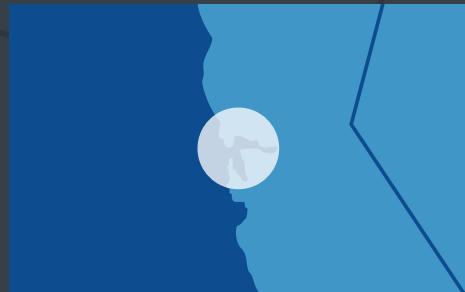


Andrée-Lise Méthot
Founder, Cycle Capital Management

When it comes to investing in female-founded companies, it’s business as usual—we are dealing with the same target sector, the same teams, and the same core commitments. None of those things have changed and, in many ways, they are more important than ever. As a GP, I’m focused on making the most impact through our investments and delivering returns to our LPs. Our continued outperformance as GPs invested in female founders will help us close the gender venture investment gap. The fund business is tough, but we must remain steadfast. I recall the difficulty raising our first fund during the last global financial crisis. While we were underestimated, our value proposition of clean tech and sustainability was clear, and with the right targeting of aligned corporations and institutions, we built a strong foundation for the firm you see today—Canada’s largest clean tech VC investment platform with CAD\$500 million in AUM.

Around the country

Bay Area

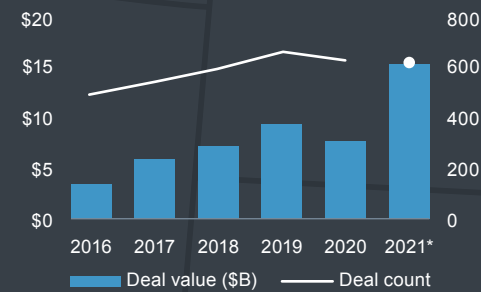


17.1%

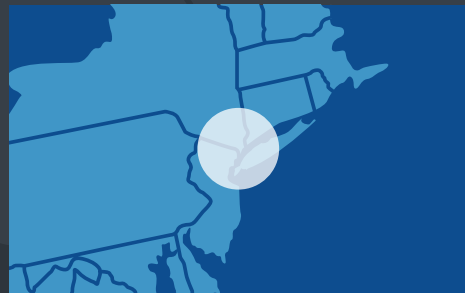
Female GPs as a share of all Bay Area-based GPs

2020: **15.4%**

Bay Area VC deal activity for female-founded companies



New York City

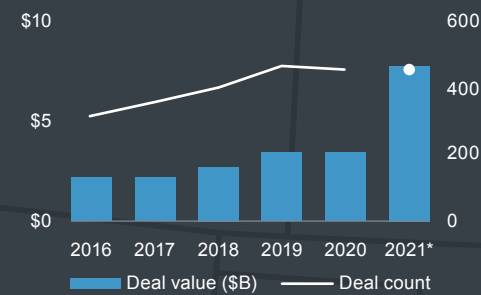


16.8%

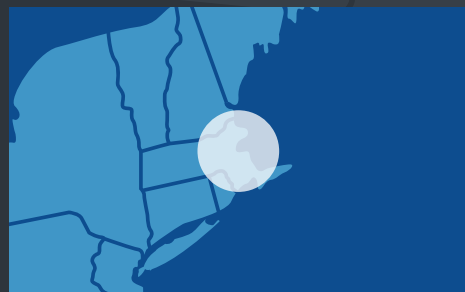
Female GPs as a share of all New York City-based GPs

2020: **11.8%**

New York City VC deal activity for female-founded companies



Boston

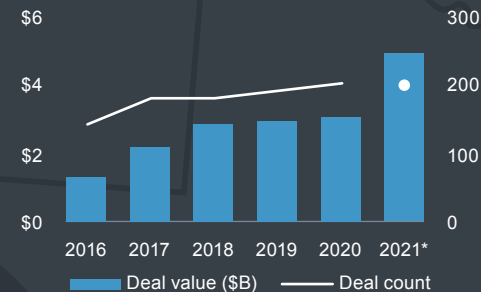


14.5%

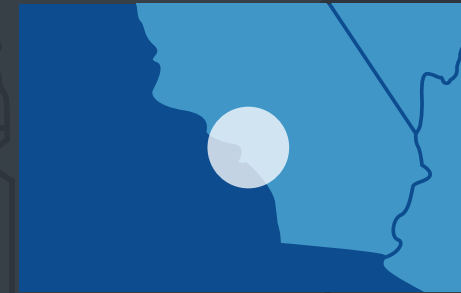
Female GPs as a share of all Boston-based GPs

2020: **13.6%**

Boston VC deal activity for female-founded companies



Los Angeles

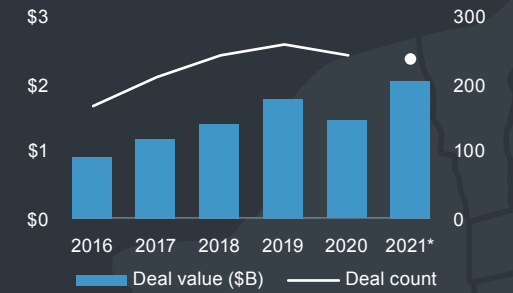


12.9%

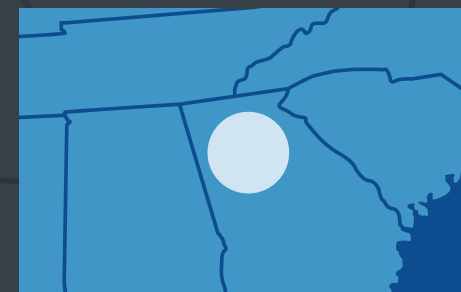
Female GPs as a share of all Los Angeles-based GPs

2020: **12.1%**

Los Angeles VC deal activity for female-founded companies



Atlanta

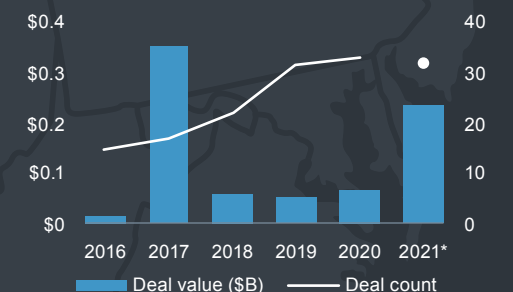


5.4%

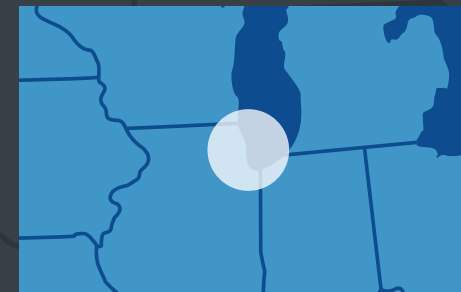
Female GPs as a share of all Atlanta-based GPs

2020: **7.4%**

Atlanta VC deal activity for female-founded companies



Chicago

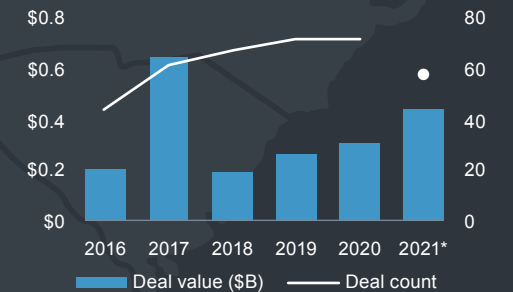


16.5%

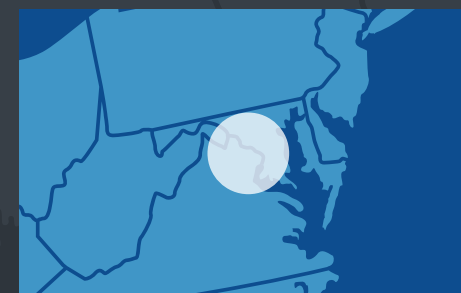
Female GPs as a share of all Chicago-based GPs

2020: **8.4%**

Chicago VC deal activity for female-founded companies



Washington, DC

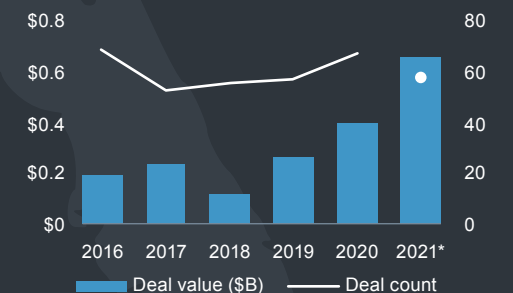


10.9%

Female GPs as a share of all Washington, DC-based GPs

2020: **15.4%**

Washington, DC VC deal activity for female-founded companies



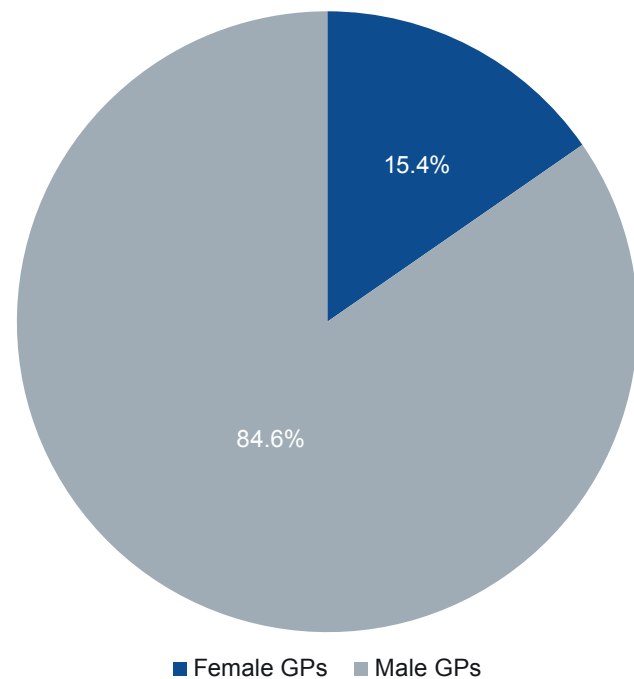
More female GPs today

In our inaugural report, we wanted to know how many women were on the other side of the table from female founders, specifically what proportion of female employees at VC firms had check-writing authority. In November 2019, PitchBook data showed about 12% of US-based checkwriters were women. We wanted to revisit that percentage two years later to see if it changed.

We found that it changed fairly significantly. As of September 30, 2021, about 15.4% of GPs are women, almost three and a half percentage points higher than it was as of 2019. The importance of that increase, as modest as it may look, extends beyond the increase itself. Studies and dozens of anecdotes suggest that female founders tend to seek out female investors and that the chances of a female-founded company successfully securing financing can rise with a female investor in the room. At the same time, female investors can often spot important distinctions in female founders that can elude male investors. The difference between 12.0% and 15.4%, then, will have a ripple effect on the headline numbers around female-founded investments, magnifying the gains. More women in senior check-writing roles means more checks will be written to female founders as time goes on.

Importantly, many of those percentage gains are taking place in the biggest startup hubs around the country.

Female GPs as a share of all US GPs*



Source: PitchBook
*As of September 30, 2021

Between 2020 and 2021, gains were made in Silicon Valley, New York City, Boston, and Los Angeles. In Silicon Valley, the proportion of female GPs increased from 15.4% to 17.1%, an important development given the sheer size of the ecosystem. New York City saw the biggest gain among the four, from 11.8% to 16.8% in the span of a year. In Boston, which is dominated by life sciences, the share rose from 13.6% to 14.5%. The knock-on effect in that city could impact female founders in biotech & pharmaceuticals. In Los Angeles, the

proportion increased from 12.1% to 12.9%, more modest than its peers but an important jump nonetheless.

Given their reach and capital levels, VC firms have an outsized influence on the startup industry. But they are not always the first investors in a startup. For our spotlight this year, we turn our attention to female angel investors, who are becoming a growing force in the market, with no signs of slowing.

**WHEN YOU INVEST IN WOMEN,
YOU'RE IN GOOD COMPANY®**



Women are innovating across all sectors from agtech, cleantech, edtech, fintech, healthtech, and so much more, and continuing to outperform with earlier exits and higher valuations.

As more funds say 'YES' to female founders, funding for women has come roaring back in 2021. Savvy investors are realizing that when you invest in women, you're in good company.

Beyond The Billion continues to work with investors to say 'YES' to:

- ▶ **Innovations addressing some of the world's greatest challenges**
- ▶ **Higher returns driven by diverse teams**
- ▶ **A more inclusive VC ecosystem and**
- ▶ **Solutions only women could conceive and deliver**



**Join us and say 'YES' to
progress, to higher returns,
and to a better world.**

Sarah Chen & Shelly Porges
Co-Founders & Managing Partners
Beyond The Billion
founders@beyondthebillion.com



@BeyondBillion



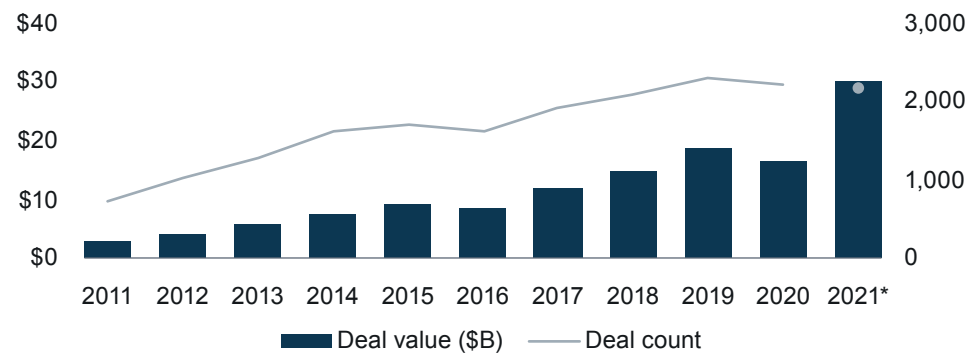
BeyondTheBillion

By the numbers

Tech

Through three quarters, female founders in the tech market have seen more than \$30 billion in investments this year. That's an 82.9% increase over 2020 levels already, with another quarter left to go. At this pace, female founders can take in as much as \$40 billion this year, which would more than double the prior record from 2018. Deal volume is on pace to increase by around 30% this year.

Tech US VC deal activity for female-founded companies

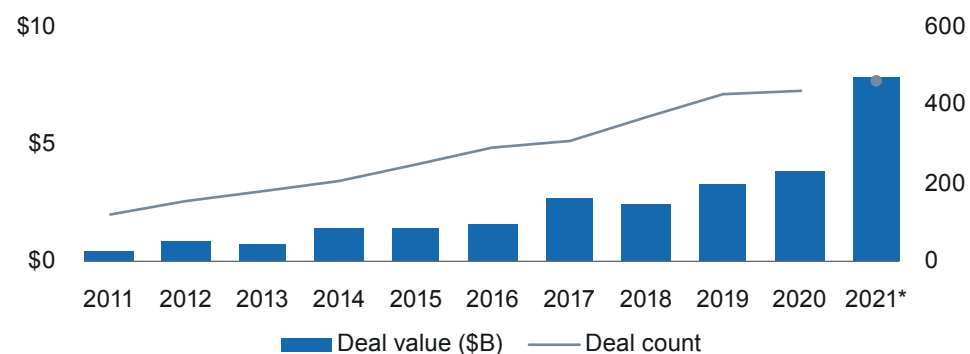


Source: PitchBook
*As of September 30, 2021

Healthcare

Within the healthcare industry (excluding biotech & pharma), female-founded companies have raked in \$7.8 billion so far in 2021, a 106.3% increase over 2020 numbers. That puts 2021 on pace to hit \$10 billion for the first time. By volume, 451 healthcare deals have been counted this year, which could allow 2021 to hit 600 deals for the first time.

Healthcare US VC deal activity for female-founded companies

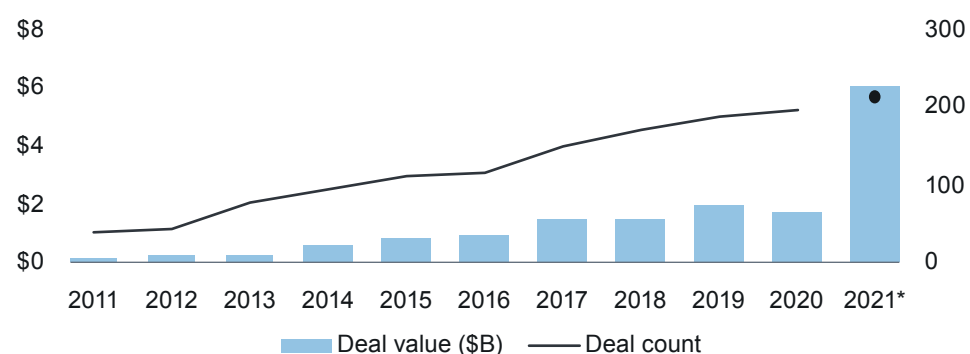


Source: PitchBook
*As of September 30, 2021
Note: Excludes biotech & pharma.

Fintech

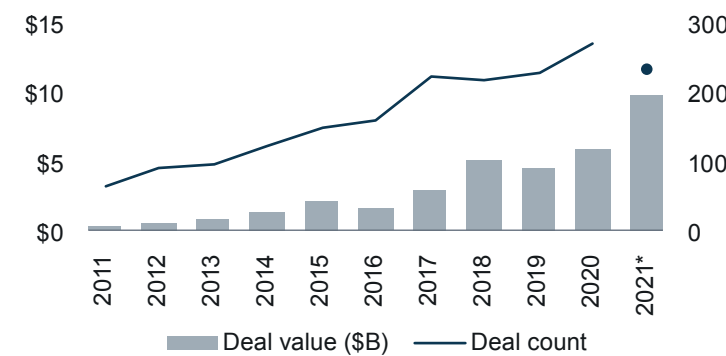
Female-founded companies have raised just over \$6 billion in VC through Q3 2021, a record by more than threefold. More than 200 rounds have been made in female-founded fintech startups, a first for the industry, putting 2021 on pace to approach 300 rounds by the end of the year. A decade ago, in 2011, those numbers were \$151.6 million across only 38 rounds.

Fintech US VC deal activity for female-founded companies



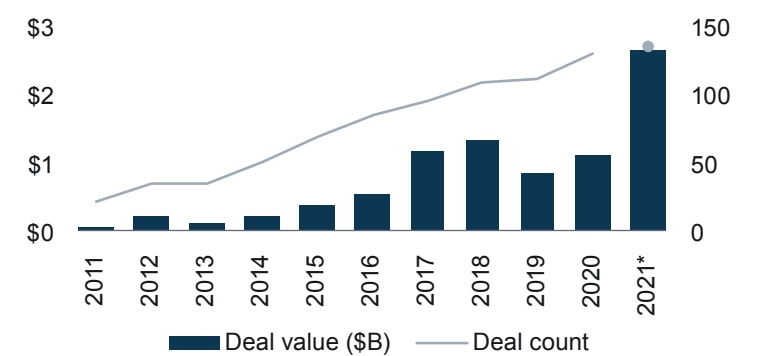
Source: PitchBook
*As of September 30, 2021

Biotech & pharma US VC deal activity for female-founded companies



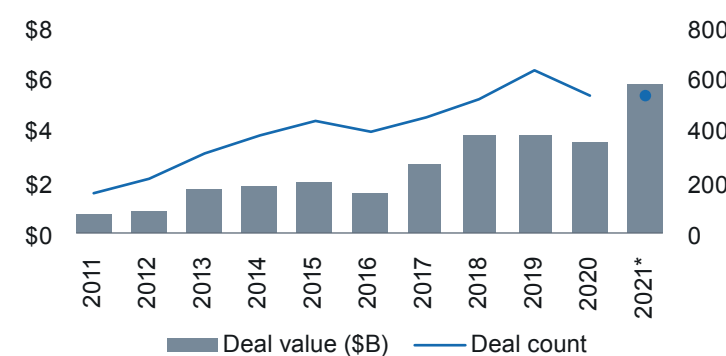
Source: PitchBook
*As of September 30, 2021

Digital health US VC deal activity for female-founded companies



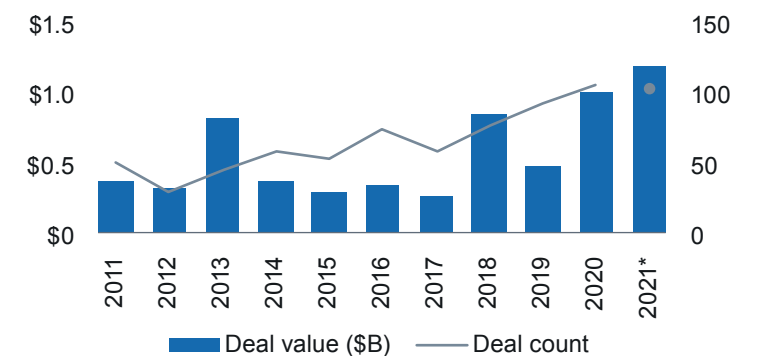
Source: PitchBook
*As of September 30, 2021

Retail US VC deal activity for female-founded companies



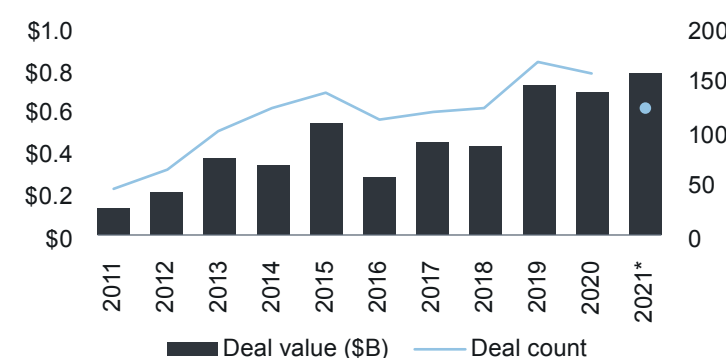
Source: PitchBook
*As of September 30, 2021

Clean tech US VC deal activity for female-founded companies



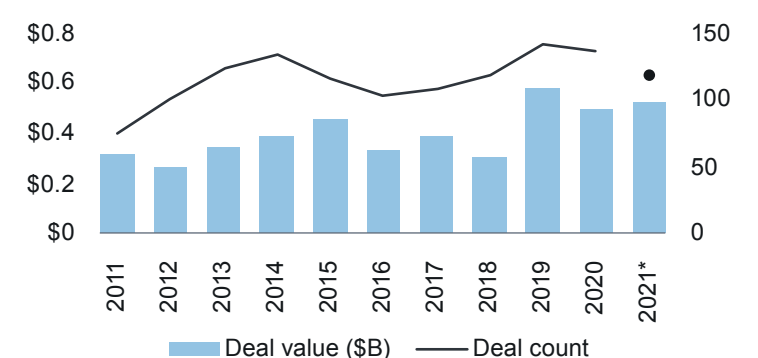
Source: PitchBook
*As of September 30, 2021

Education US VC deal activity for female-founded companies



Source: PitchBook
*As of September 30, 2021

Media US VC deal activity for female-founded companies



Source: PitchBook
*As of September 30, 2021

Sharing the stage

8 women who are lifting up the next generation of innovators and entrepreneurs

For years, female founders have faced an uphill battle. They receive a fraction of the funding that male founders get, and they often are pitching their ideas to a roomful of men.

That uneven playing field can be hard to overcome. The ecosystem,

however, is slowly starting to shift—thanks in no small part to the women featured here.

They’re all doing everything they can to inspire and nurture the next generation of innovators. But that inspiration runs both ways. First-time

founders and serial entrepreneurs bring energy and passion to the mix, which keeps experienced leaders and investors on top of their games.

And it’s all based on a simple truth: The world’s problems can’t be solved if women are left out of the conversation.



Pamela Aldsworth
Managing Director, Head of VC Coverage,
J.P. Morgan
Boston, MA

“Growing up in venture, I was inspired by some of the earliest female investors. They motivated me to fight for other women. Today, **Katie Rae** inspires me in the same way. The work she’s done with Equity Summit, which brings together people to get more funding into the hands of women, gives me reason to believe we’re on the right path. And it gives the next generation of founders—women such as **Bianca Gates**, **Nyakio Grieco**, and **Shiza Shahid**—the support they need.”



Katie Rae
CEO and Managing Partner, The Engine
Boston, MA



Nabiha Saklayen
Co-founder and CEO, Cellino
Cambridge, MA

“At Cellino, we’re working to expand access to stem cell-derived therapies. But equity in medicine only comes when you make equity in leadership a priority. We have two women of color as co-founders, which translates directly to priorities around developing cell therapies that work for underrepresented patients. When biotech leadership reflects the societies we live in, it maximizes our ability to make medicines that work for all patients—not just some patients.”

What J.P. Morgan is doing

At J.P. Morgan, we’re committed to creating a supportive, diverse, and inclusive ecosystem for all innovators and investors. Among the steps we’re taking: increasing outreach and education on boardroom diversity; engaging our partners and clients to help them do more; and challenging the status quo. We’re proud to share the stage with these eight women. And we look forward to making the innovation ecosystem a better place for everyone.

Learn more in J.P. Morgan’s new board diversity report.



Bianca Gates
Co-founder and CEO, Birdies
San Francisco, CA

“For the tech industry to evolve, it’s critical to support and empower minority investors and founders. Consumers pay close attention to who is behind the company or product they are engaging with. A diverse board can help you better understand and connect with your customers—and push your company further along. Our mission is built on uplifting and supporting women, so it’s important that the people at the table reflect the community we are engaging through our marketing.”

“Equity starts with access and meeting people where they are. Everything is at stake, especially for women of color. If we’re not able to access funding, the status quo remains—and too many talented people get ignored and left out. We need to shake things up now so that change can happen and a new paradigm can be built.”



Shiza Shahid
Co-founder and Co-CEO, Our Place,
and Co-founder, Malala Fund
Los Angeles, CA

“We need more women in control of capital. We need to teach them how to invest, get hired and promoted at VC firms, and start their own funds. We also need to help them access circles that give them exposure to quality investments. The cost of not addressing equity is not just a morally unjust world, but one where we are not recognizing our collective potential.”

“Sometimes the right people come along at the right moment. For me, that person was **Ann Miura-Ko**. She gave me permission to think bigger and bolder than I thought possible. And she was just one of several strong women who invested in my company. As for diversity in the boardroom, I love it. It creates the best conversations and improves decisions. That’s not just what the research says. It’s my lived experience. Big ups to diversity.”



Ann Miura-Ko
Co-founding Partner, Floodgate Ventures
Palo Alto, CA

“I see diversity in the boardroom, in management, and on the cap table all in the same way. In Silicon Valley, we’re always looking for a network effect in our businesses. It’s what creates self-sustaining and exponential growth. When you access talent—just as when you access customers or revenue growth—you also want a network effect. When your talent base is diverse and empowered to express themselves, you not only minimize your potential blind spots, but you expand your access to great talent anywhere. I see diversity and inclusion as a competitive edge you can use if you have the proper commitment.”



Nyakio Grieco
Founder, Nyakio Beauty, and Co-founder,
Thirteen Lune
Los Angeles, CA

“We need more women in control of capital. We need to teach them how to invest, get hired and promoted at VC firms, and start their own funds. We also need to help them access circles that give them exposure to quality investments. The cost of not addressing equity is not just a morally unjust world, but one where we are not recognizing our collective potential.”



Gina Bianchini
Founder and CEO, Mighty Networks
Palo Alto, CA

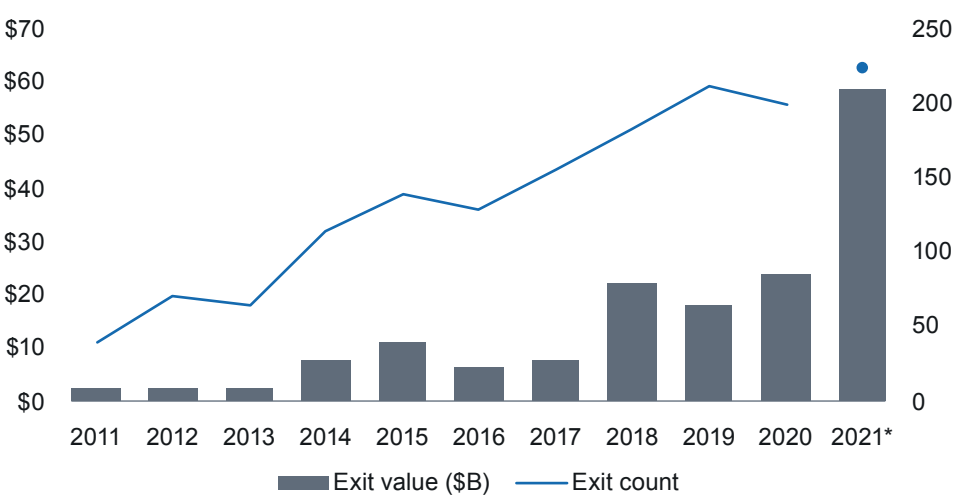
The exit scene

2021 was a banner year for exits of female-founded companies. Almost \$59 billion was sold off through Q3, which is easily a record. Exit count is also in record territory, with another quarter left to tabulate.

With respect to exits, female founders have fared better than the overall VC market. Last year, female-founded companies exited for a combined \$24.1 billion, about 32.0% higher than 2019's level. The overall market increased by a more pedestrian 8.0%. The same outperformance is happening in 2021. The \$58.8 billion exited by female-founded companies so far is 143.6% higher than 2020's level, while the overall market is up 101.5%.

This report series has highlighted how quickly female-founded companies exit. The latest data suggests that trend has only strengthened. The last year in which the overall market had comparable numbers with female founders was in 2018, when the median "time to exit" was about seven years for

US VC exit activity for female-founded companies

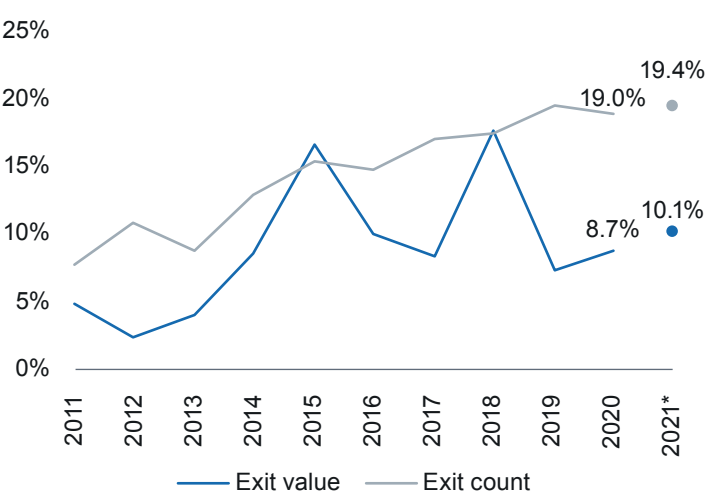


Source: PitchBook
*As of September 30, 2021

both female-founded companies and the overall industry. In the intervening years, the median time to exit for female founders has decreased while the overall market's figure has increased. Those are important metrics for investors, who achieve higher returns for quicker turnarounds. It also points

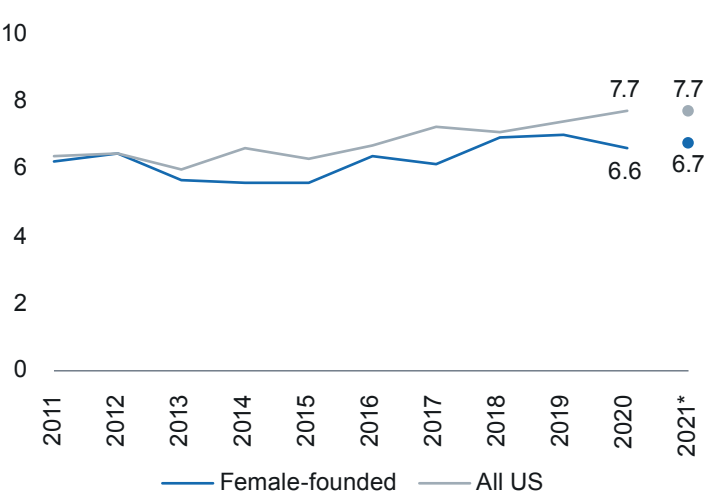
to superior business performance for companies with women in leadership positions. This is an important trend to note for limited partners (LPs)—the wellspring of the VC industry—to push their general partners (GPs) to invest in more female founders.

Exit activity for female-founded companies as a share of all US VC exit activity



Source: PitchBook
*As of September 30, 2021

Median time to exit (in years) for female-founded companies versus all US VC-backed companies



Source: PitchBook
*As of September 30, 2021



The data is talking. Are you listening?

The numbers say more women are being appointed to startup boardrooms. But real change is not here yet.

Get more insights in J.P. Morgan's board diversity report.

READ THE REPORT

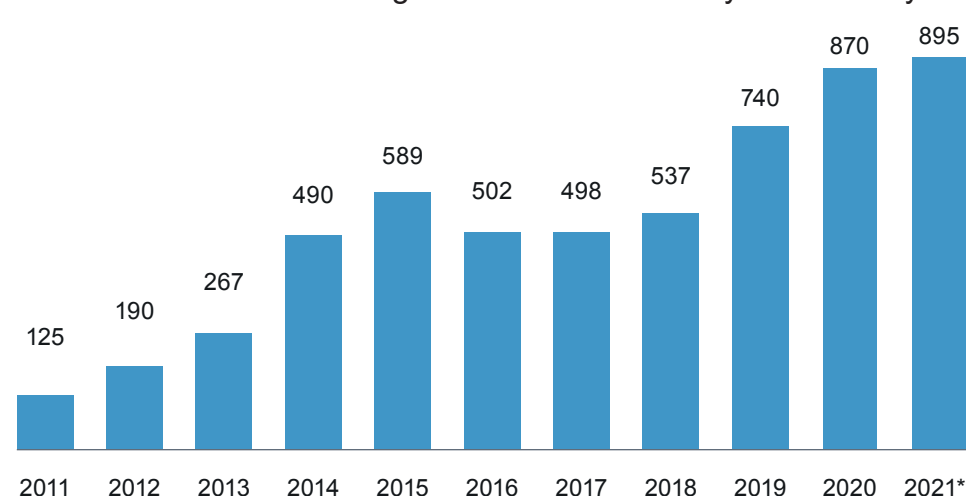
J.P.Morgan

Female angel investors

Angel investing often goes unheralded; most angels are not out for publicity and try to keep their investments undisclosed. But they are an important cog in the VC conveyor belt, especially for startups that are not yet prepared to meet with institutional venture capitalists.

The dot-com era had plenty of angels, but they were overwhelmingly men. As late as 2010, PitchBook figures show that there were less than 100 female angels in the entire country. Today, that number is inching toward 1,000. Between 2010 and 2020, the number of active female angels in the US has grown by over 1,100%, and the pool continues to grow. The first substantial increase happened in 2014, when the number of active female angels increased by 83.5% in a single year. However, that number remained relatively unchanged for the next five years.

Number of active female angel investors in the US by investment year



Source: PitchBook
*As of September 30, 2021



Michelle Wie West
Professional Golfer
Angel Investor
PitchBook Brand Ambassador

Most people know Michelle Wie West as the professional golfer, but she is also an angel investor and PitchBook brand ambassador. As an early investor in companies like Tonal and Oxigen, Michelle uses PitchBook to navigate the private market, and we recently sat down with her to discuss her investment strategy and learn how she is expanding her venture portfolio.

You've had a very successful career as a golfer. What motivated you to add angel investor to your resume?

After spending 4.5 years at Stanford, I was very motivated by the entrepreneurs in my class and have always wanted to go down that path. With being so busy with golf and being a mom, it has been so fun to learn how to invest in new companies and to be a part of their growing process.

What factors/characteristics are most important to you as you evaluate angel investment opportunities?

I look to invest in companies that are either women/minority founded, have

a strong social/environmental mission, and companies where they strive to help lower the barrier into sports, such as golf.

In an industry where performance is everything, how do you balance performance and social impact in your investment decision-making?

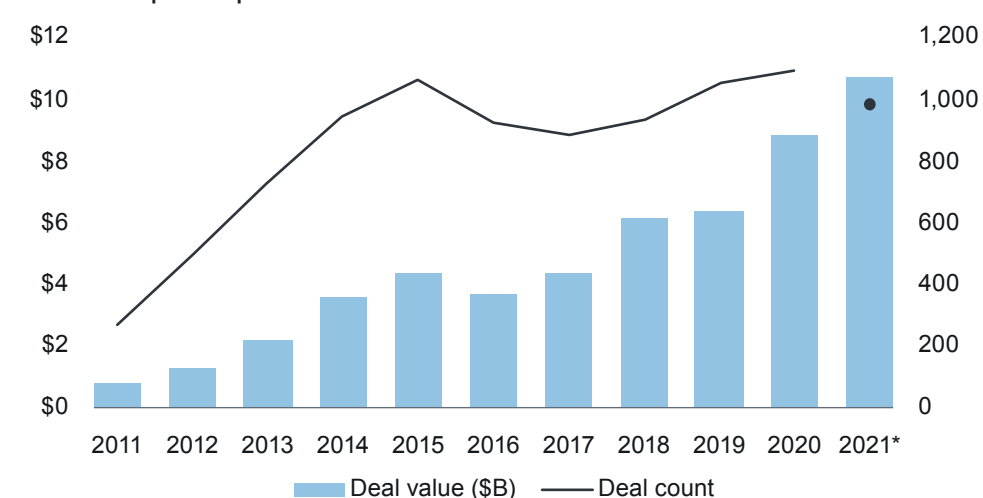
Performance and social impact go hand in hand. As much as a company is thriving to make social impact, if they don't perform, then their social impact won't be as high as it can be. That is why it is so important to me to invest in these companies, because I would love to see such companies perform well and make that social impact for future generations to come.

The second increase, perhaps not by coincidence, happened after 2018, when the #MeToo movement came to prominence. Between 2018 and 2019, the number of active female angels grew by 37.8%. Since the #MeToo movement, the female angel scene has come close to doubling, with just under 900 active angels in the market today. We expect that number to continue to increase.

Under the surface, however, a more important trend is taking shape: Female angels are financing more female founders. Once again, the #MeToo movement appears to be an important pivot point. Between 2015 and 2017, female angels were investing in fewer female founders, with deal volume falling 21.2% over that three-year period. In 2018, however, that trend suddenly reversed, with deal volume rising 23.3% in a single year. Between 2017 and 2020, in fact, female angels have participated in 67.8% more financings for female founders.

Where the trend is most visible, however, is in the percentages for deals with female angel participation.

US VC deal activity for female-founded companies with angel investor participation

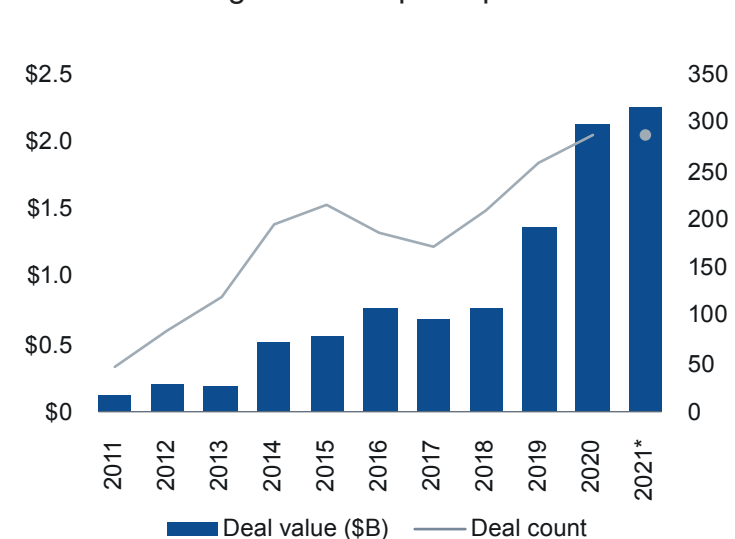


Source: PitchBook
*As of September 30, 2021

10 years ago, less than 15% of deals with angel participation were from female angel investors. By 2017, the ratio hovered around 20%. Starting in 2017, the percentages began to rise each year, from 19.8% to 22.8% to 25.0% and finally to 26.5% in 2020. This year, almost 30% of female angel investments are going to female-founded companies.

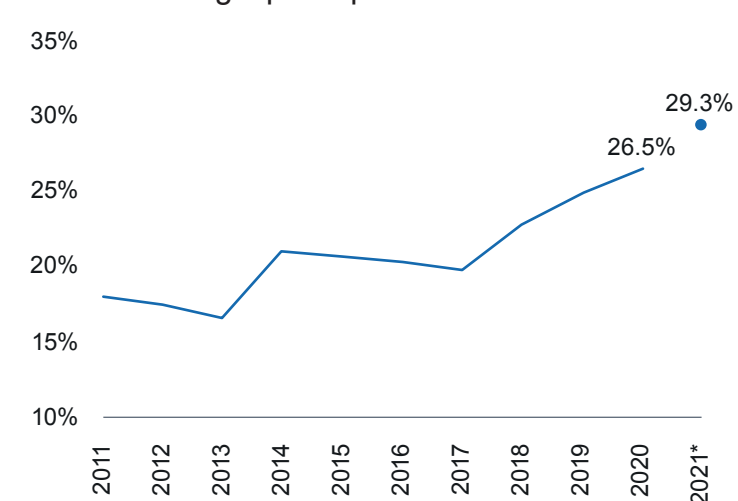
A common theme throughout this report series has been that change does not happen at the finish line. It happens much earlier: more female checkwriters at VC firms, heightened awareness from LPs, and so on. Adding to that list is an increase in female angel investors, who will fuel momentum for female founders for years to come.

US VC deal activity for female-founded companies with female angel investor participation



Source: PitchBook
*As of September 30, 2021

US VC deal count in female-founded companies with female angel participation as proportion of all deals with angel participation



Source: PitchBook
*As of September 30, 2021

Key takeaways

COVID-19 had a profound impact on female entrepreneurship, and the data bears that out.

Investment figures show the disproportional impact of the pandemic on female founders compared to male founders and the overall US VC market. The disparity showed up in annual numbers, quarterly numbers, and even monthly numbers. It also showed up in valuations, for both early-stage and late-stage companies. Gaps either emerged or widened between women and the industry as a result of COVID-19.

What it means: Scores of anecdotes can now be confirmed by hard statistics. While female entrepreneurship recovered in 2021, the pandemic dented years of progress. Many explanations exist. For now, the data conclusively shows that the impact happened and went well beyond the anecdotes.

Methodology

Please refer to PitchBook's Report Methodology [page](#) for a complete breakdown of our terms and definitions.

Any data references to Silicon Valley include VC activity within the San Francisco/Bay Area MSA combined with PitchBook's San Jose MSA.

Education: Includes educational training & services, educational software, and edtech.

20 All In: Female Founders in the US VC Ecosystem

#MeToo also appears to have had an impact, and that impact is likely bigger and more long term.

The most conspicuous evidence surrounding #MeToo's impact is the growing pool of female angel investors. Not only were more female angels active in the market after #MeToo, but more female angel rounds went to female founders. In 2017, before the movement began, about 20% of female angel investments went to female founders. Today, almost a third of them do, and the ratio continues to grow.

What it means: Progress starts at the root. Angel investing is one of the riskiest forms of VC, involving individual investors and very new founders, often starting their first companies from scratch. However, prominent and knowledgeable angel investors can be invaluable to female founders, providing gravitas and support for entrepreneurs before they meet institutional funders for the first time. It is an important development for female founders and can lead to a long-term ripple effect for the headline numbers for years to come.

Media: Includes broadcasting, radio & television, information services, movies, music & entertainment, publishing, and social content.

Digital health: Includes telemedicine, digital wearing devices, fitness trackers, and remote monitoring & diagnostics software.

Retail: Includes apparel & accessories, consumer durables, consumer.

VC firms are also noticing and hiring more women for check-writing roles.

When we first looked at GP statistics in 2019, the numbers were not great. As in angel investing, the number of women in institutional check-writing roles has a significant ripple effect in the industry. Over a two-year span, the industry noticed, increasing the ratio of female GPs from 12.0% to 15.4%. Importantly, gains were made in the biggest startup hubs: Silicon Valley, New York City, Boston, and Los Angeles.

What it means: Bigger headline numbers will likely appear down the road. Studies show that female founders tend to seek out female investors, particularly at the institutional stage. More female checkwriters and more female angel investors will likely lead to more financing opportunities for female founders. Progress may compound itself thanks to internal decisions made within the VC firms themselves.

nondurables (such as food and beverage), retail, LOHAS, and wellness.

Female GPs: Only includes fully disclosed decision makers who are currently with their firms as of September 30, 2020. Only includes VC firms with AUMs of at least \$50 million, and excludes life sciences and healthcare-focused firms as defined by their investment history (>25% of firms' investment in those industries).

The global venture capital ecosystem at your fingertips

PitchBook is a financial data provider that tracks every aspect of the global venture capital ecosystem, including companies, valuations, transactions, industry trends and investors.

