

# Investing with a gender lens

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Where are the  
women?

# The missed opportunity

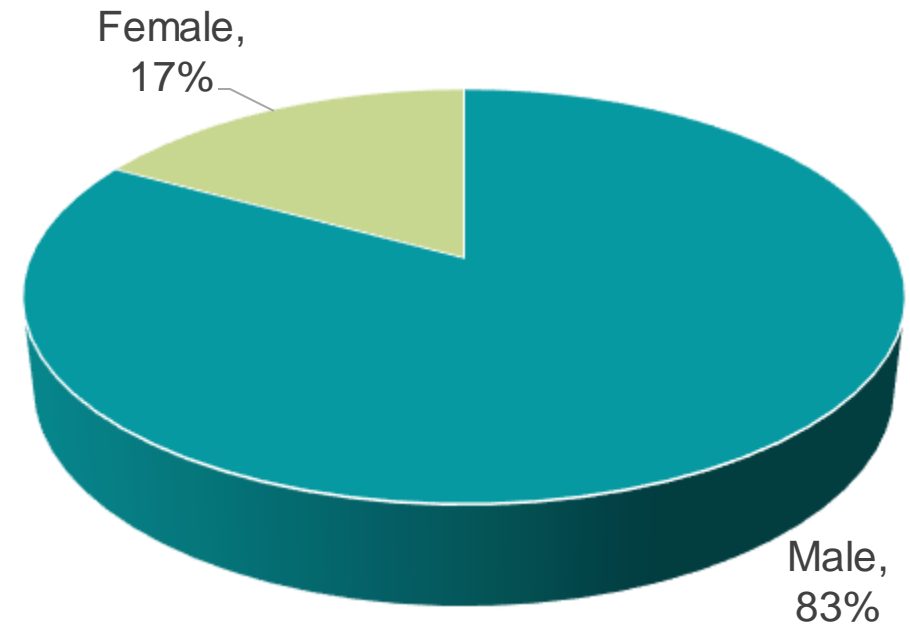
34.4%

% of women out of the total self-employed in EU

30%

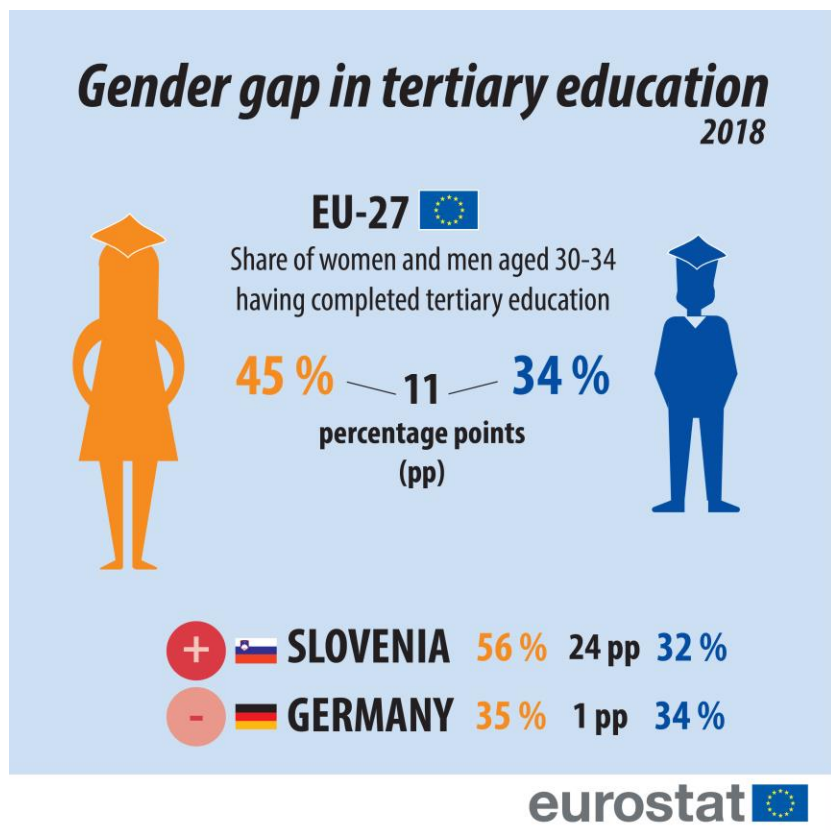
% of female startup founders out of total in EU

Percentage of startups by gender of founder worldwide

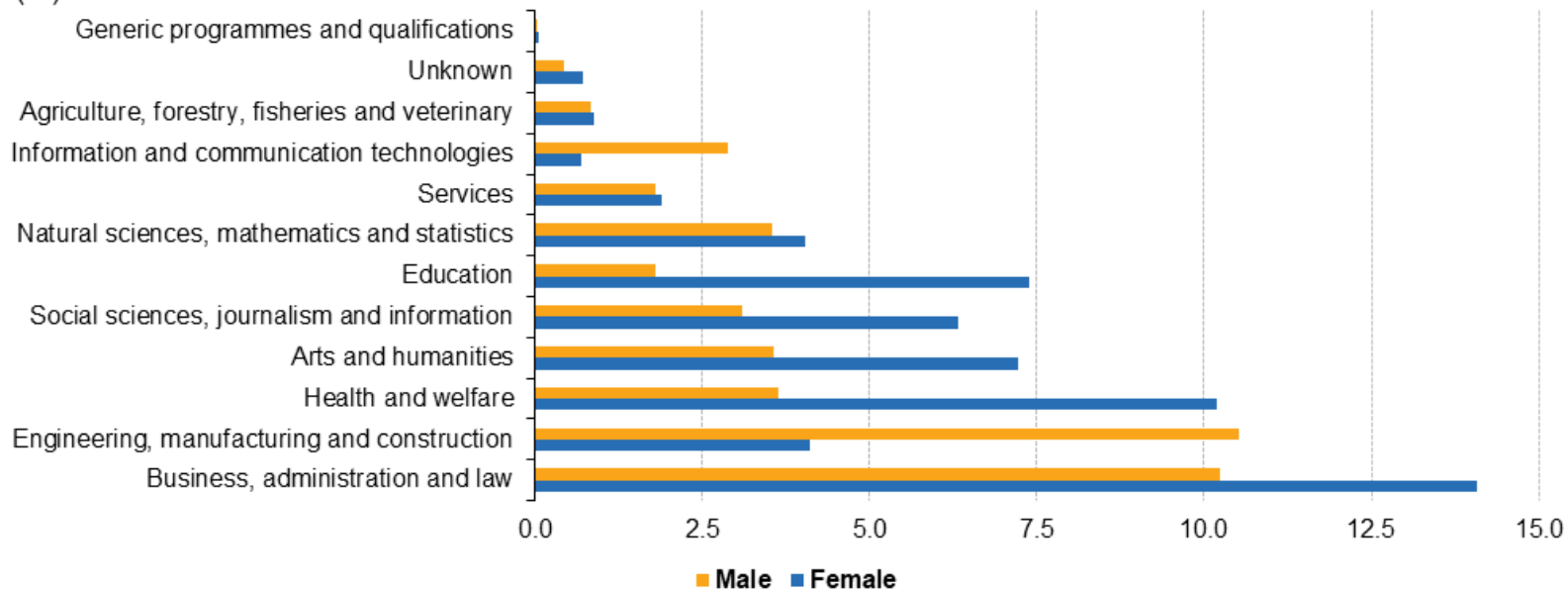




# Are women less educated?



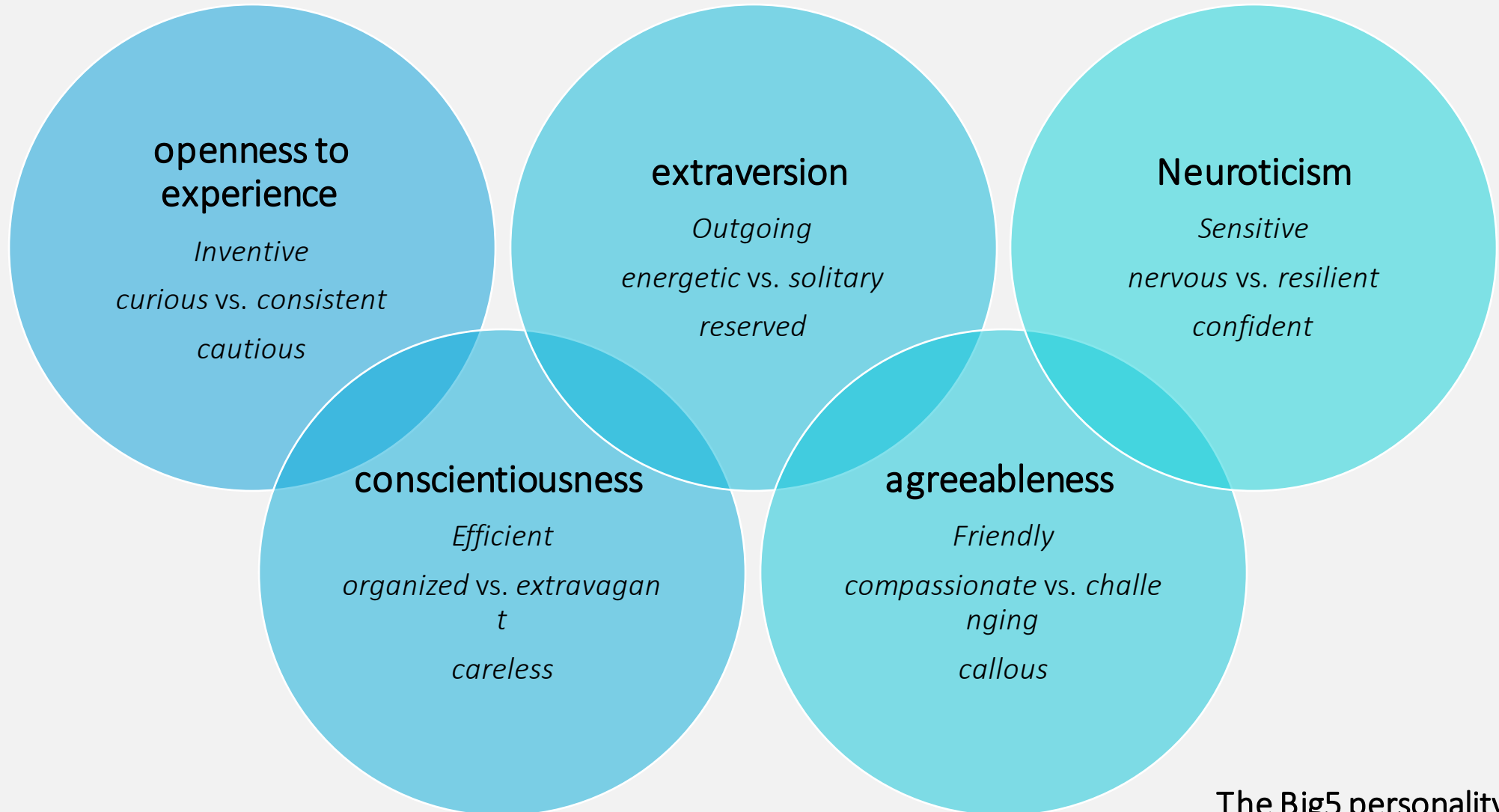
Distribution of tertiary education graduates by broad field and sex, EU-28, 2017 (%)



Source: Eurostat (online data code: educ\_uoe\_grad02)

eurostat 

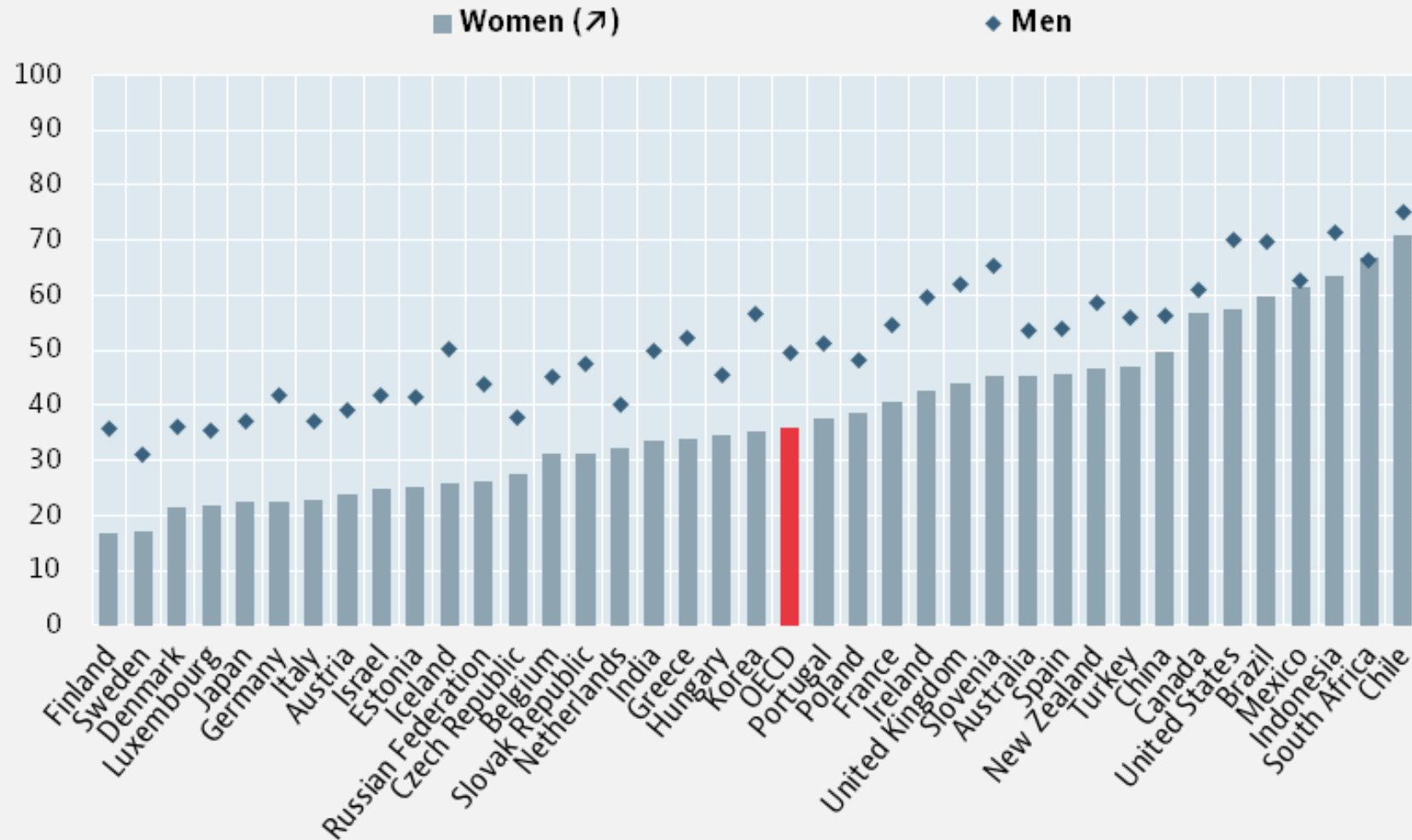
# Are women just different to men?



The Big5 personality traits

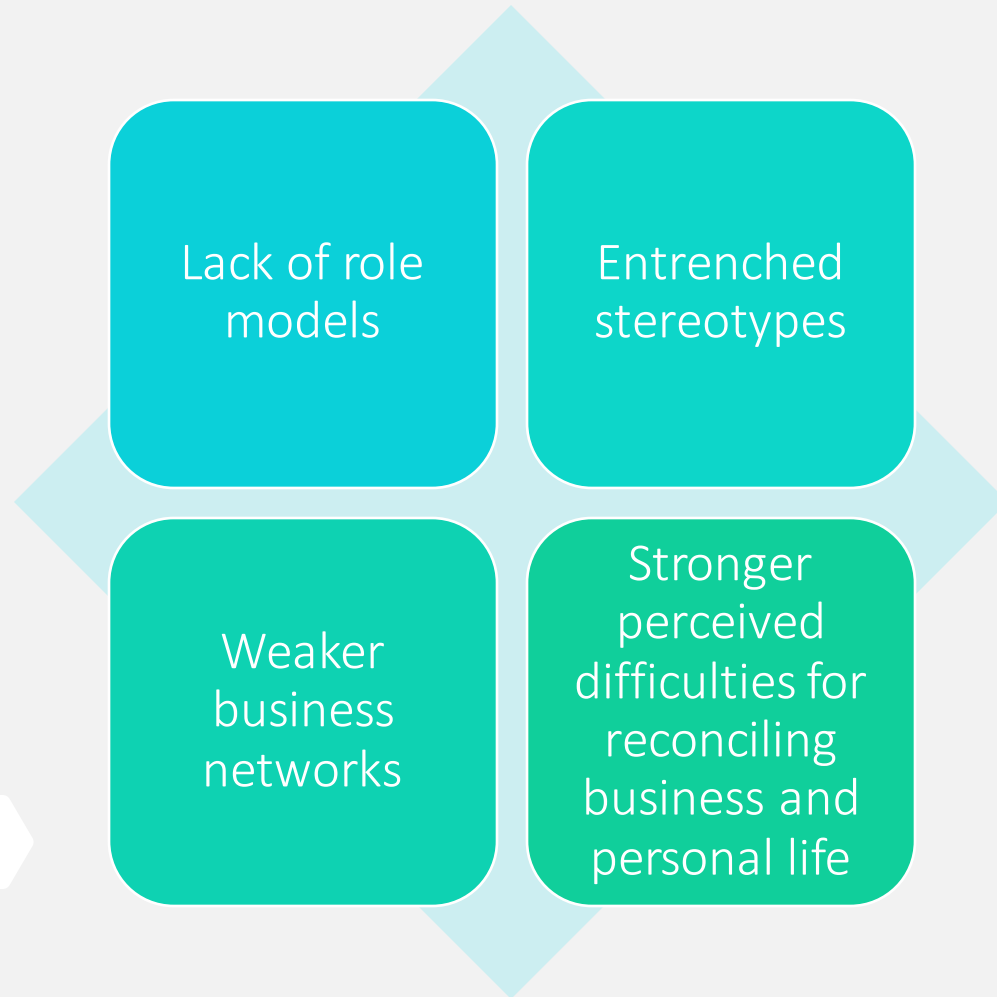
# Perceptions on risk

% of women and men declaring they would rather take a risk than work somewhere else (2013)



Source: (OECD 2015), *Entrepreneurship at a Glance 2015*, OECD Publishing, Paris.

# The entrepreneur-driven gap



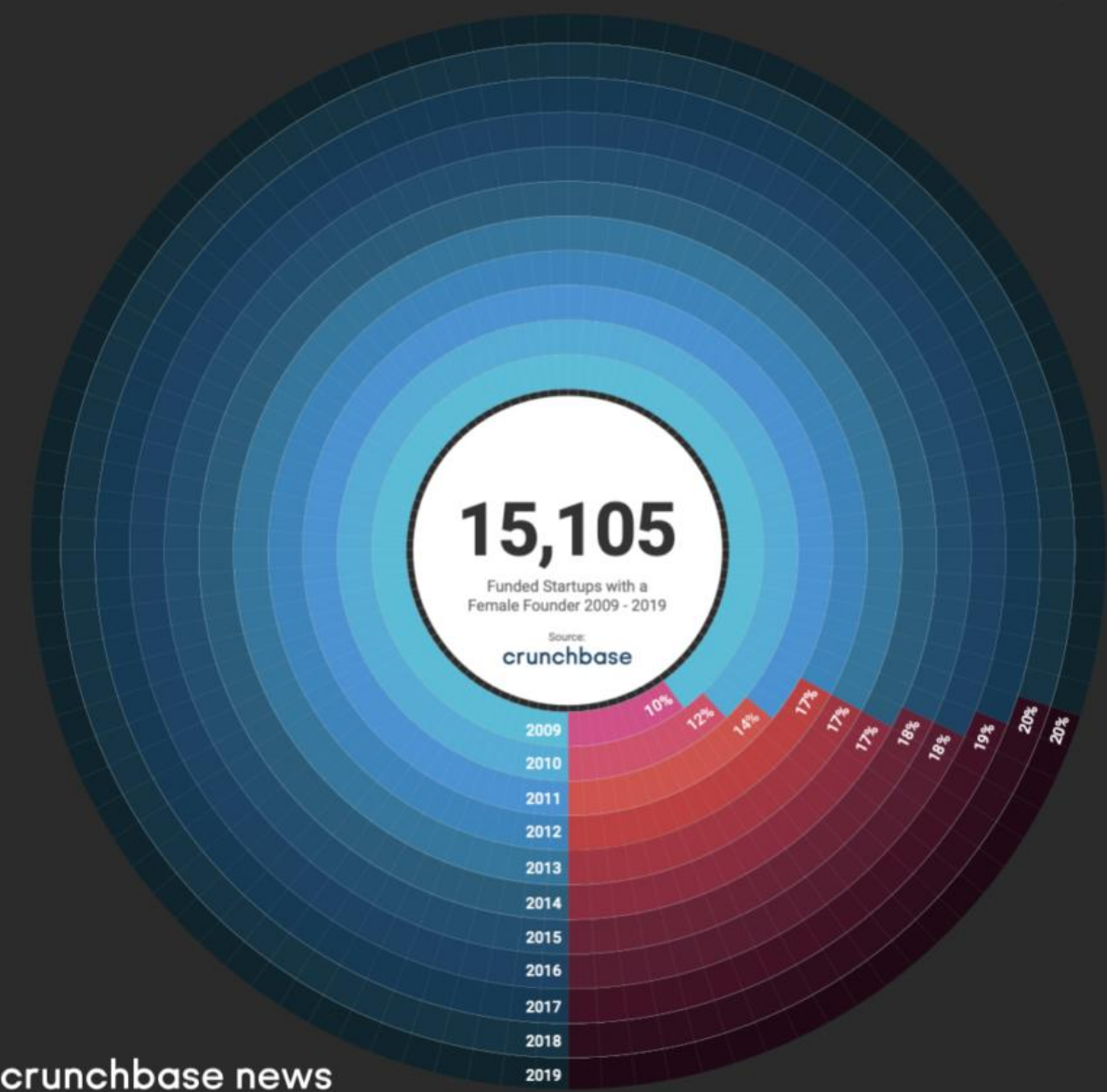




# The investor bias

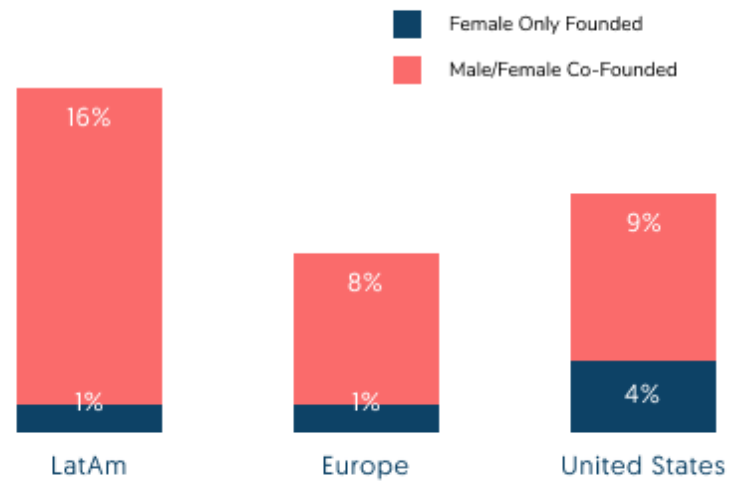


# Proportion Of Global Startups With A Female Founder On First Funding

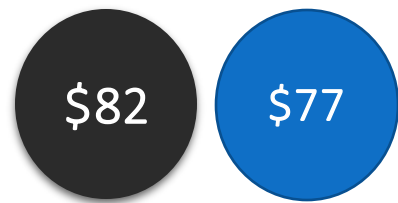


## Percent of Venture Dollars Invested in Female Co-founded Startups in 2019

Data as of Dec 2019 Includes Seed and Venture Funding



crunchbase



At the seed stage, women-only teams raise on average \$82 for every \$100 a male-founded team raises. For early-stage venture, women fared worse, with an average \$77 for every \$100 a male-founded team.

# The venture funding process



Source IFC.org



There is evidence of the existence of stereotypes affecting investors, regardless of gender.

Men are good investments until they prove otherwise.  
Women are unsound investments until they prove they are worth taking a risk on.

During an experiment\* in which two entrepreneurial pitch videos with randomly assigned voices were watched, 68.3% of participants preferred to invest in ventures pitched by a male voice even though these voices presented identical pitches.

**\*Investors prefer entrepreneurial ventures pitched by attractive men**

Alison Wood Brooks, Laura Huang, Sarah Wood Kearney, and Fiona E. Murray  
PNAS March 25, 2014 111 (12) 4427-4431; <https://doi.org/10.1073/pnas.1321202111>

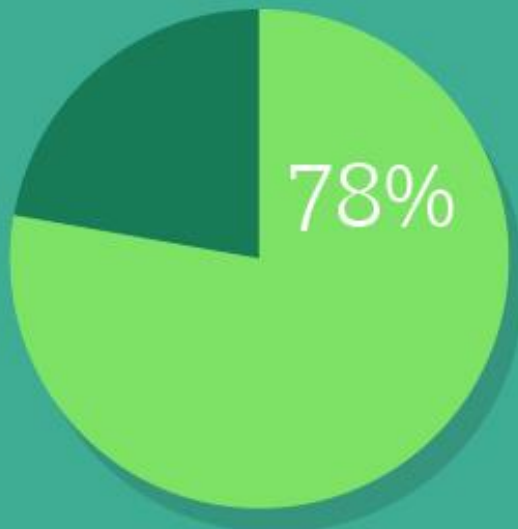




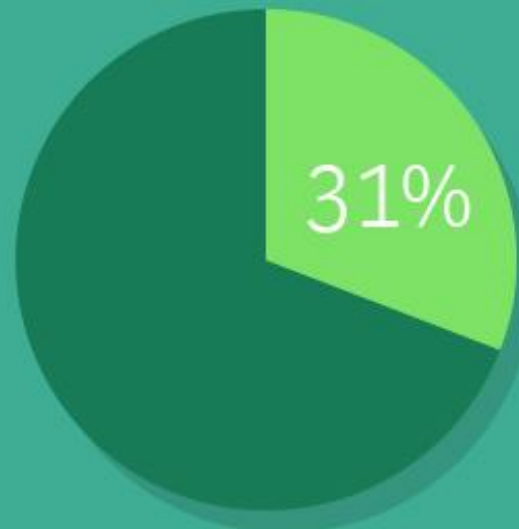
But women are  
winning



Startups founded and cofounded by women return **78% per dollar invested** versus male-founded startups, which return 31% per dollar invested.



**WOMEN**



**MEN**

Sources: MassChallenge; BCG analysis.



Companies with female founders performed **63%** better than all-male founded teams



Women's lack of financing means they end up **owning more of their company** and may get to profitability sooner than if they had all the capital in the world.

Women know they're likely to start with less funding, but determined to scale their companies, they generally learn early to be **capital efficient**.

They are less likely to create a product simply because it's feasible or technology suddenly allows them to do so. Instead, they focus on addressing **real issues or problems** they've observed or experienced.





# Closing the gender gap

# Closing The Entrepreneurial Gender Gap Could Increase The Global Economy By \$5 Trillion

The annual productivity loss to the European Union as a result of women leaving their jobs in information and communications technology (ICT) is around €16.2 billion

“... it is not the women who need fixing; the model for venture capital that has been in place since the 1980s simply does not work for women entrepreneurs.”

*Patricia G. Greene, co-founder of the Diana Project*



Financiers

Women entrepreneurs



Governments



## Financiers

1

- Evaluate processes and biases
- Re-design policy and strategy
- Provide training
- Streamline the pitching process
- Increase number of women in key roles

## Women entrepreneurs

2

- Re-evaluate risk tolerance
- Set bold objectives
- Source sophisticated capital

## Government

3

- Tax breaks
- Promotion of STEM education
- Risk sharing





***“We have evidence that if companies are founded by women, they have better performance; women make better decisions with the investments we give them, and also they are better payers.”***

Daniel Cossio, Village Capital



# Thank You

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