The Case for Women-Focused Angel Investing

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Why Angel Investing?

Angel investing is an active and essential part of the American economy. In 2017, angel investors funded over 61,000 companies and invested over $23B in these businesses. *

* Center for Venture Research, University of New Hampshire
Why
Why Angel Investing?

*Angel investors*, sometimes individually but often acting in groups, can *supply a young company with sums ranging from tens of thousands to a million dollars* or more.
Who are Angel Investors?

Angels are high-net worth individuals who make equity investments in start-up and early-stage companies.
Who are Angel Investors?

*Angels* fill a gap in the ecosystem of support; they *step in* at the critical early stages, *when companies are taking shape or beginning to grow.*
Angel Investors Provide More than Money:

• Mentoring and advice to entrepreneurial teams
• Experience as veteran entrepreneurs themselves
• Business experience
• Special expertise that equips them to mentor a new company or to serve on its board
Angel Background

Gender

77.9% Male  22.1% Female

Angels are more diverse than VCs, with considerably more women investors.

30% of new angels are women.
Who Gets Funding?

Venture capital funding overall has surged in recent years, but the numbers haven't leapt forward for female founders at the same pace. In 2018 companies founded solely by women garnered 2.3% of the total capital invested in venture-backed startups in the US last year.
Women Angel Investors are Increasing

Who

Women Angels % of Angel Market

Bar graph showing the increase in the percentage of women angel investors from 2004 to 2016.
Women Entrepreneurs Get Larger Share of Angel Funding

Where

- # of Companies that Received Funding
- # of Women Entrepreneurs that Received Funding
- Women-owned firms as a % of Total Firms that Received Funding
Angels are Everywhere . . .

63% of angel investors in the study are located outside of San Francisco, New York, and Boston, with large percentages in the Great Lakes (16.2%), Southeast (15.4%), and Mid-Atlantic (10.7%)

The American Angel Study, ACA, November 2017
Golden Seeds Angel Network
Pipeline Angels Locations
How Female Investors Invest

- Angels that invest with a gender lens focus solely on women-led companies.

- Angels increasingly practice inclusion on their teams; having other women in the room increases the odds of securing funding for women entrepreneurs.

- Gender diversity among decision-makers improves the chances that women entrepreneurs will be funded.
How Female investors Differ

“Women often create businesses that are born of their own life experiences -- experiences other women may be particularly likely to recognize and calibrate as large opportunities.”

Loretta McCarthy, Managing Partner, Golden Seeds
Investments in Women Founded Companies are increasing

More Capital was invested in companies founded or co-founded by women in the fourth quarter of 2018 than in any other quarter in the past decade.
Women in VC = 2X Funding for Women-Owned Start-ups

The well-regarded Diana Project, a study by Babson College, concluded that venture capital firms with women partners were more than twice as likely to invest in companies with women on their management teams than those without women partners.
What Increased Investing by Female Investors means for Women Entrepreneurs
Share of Capital Raised by Female-Founded US Companies

![Bar chart showing VC raised by US companies and US female-founded companies from 2012 to 2017.]
Women Angels: 5% of Investors in 2004; 26% of investors in 2016

What
Women Focused Funds

Golden Seeds

The JumpFund
WOMEN INVESTING IN WOMEN

NEXT ACT FUND, LTD
WOMEN INVESTING IN WOMEN

JANE VC

alliance of angels

Funds
It is a promising time for Female Entrepreneurs and Angel Investors!

Thank You