



Quick Thoughts: Be an Ally to Women Entrepreneurs and Herstory

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Entrepreneurial women's lack of access to venture capital (VC) is one of the oldest stories in the world. How do we change herstory and empower women entrepreneurs and founders? Applying a "gender lens" can illuminate themes across access to capital, workplace equity, product and service offerings, and asset classes.¹ I believe we must address gender-parity issues, not only because it is the right thing to do, but because it can create greater outcomes and returns for us all.

- Despite owning 38% of US businesses, female founders received about 2% of all VC funding.² Women in prominent economic roles, as entrepreneurs and investment decisionmakers, are fundamental towards gender parity and a more sustainable world.
- Female founders do not receive significant capital to scale, equal representation, and prominent seats at VC tables. Reasons for rejection include: lack of product insight, gender-biased questions, and discounting metrics, likely by-products of all-male decision-making which can lead to missed benefits and returns.³
- According to some studies estimates, if females participated equally as entrepreneurs, global gross domestic product (GDP) could rise 6%, boosting the global economy by US\$5 trillion annually.⁴ If females occupied identical roles in labor markets, global GDP could rise 26% by 2025.⁵
- Diverse environments foster positive effects, including better financial outcomes and employee engagement.⁶ Companies with female founders and executives have been shown to increase returns on investment of 66%, on equity of 53%, and on sales of 42%.⁷ Companies with greater gender parity outperformed those with less by as much as 30%.⁸
- Unconscious behavioral biases and social networks influence everything from where people live to how they invest. Recognition of these biases and semi-closed circles can drive the creation of new, gender-parity-based VC funding processes and outcomes.⁹

We can have a meaningful impact by managing gender biases, wealth, and social networks to be an ally for gender parity in business and capital decision-making. Read more in "Women Entrepreneurs and the Benefits of Equal Access to Capital" by Jenny Johnson, CEO of Franklin Templeton, Sara Araghi, Director of Franklin Venture Partners, Regina Curry, Chief Diversity Officer of Franklin Templeton, and Shelly Kapoor Collins, General Partner, Shatter.

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1. Source: Fiduciary Trust International, "Gender Inclusive Investing Strategies," January 15, 2018.
 2. Source: *Forbes*, "Why Do Female Entrepreneurs Receive Less Than 3% Of All Venture Capital Funding?" December 1, 2017.
 3. Source: *Harvard Business Review*, "Male and Female Entrepreneurs Get Asked Different Questions by VCs — and It Affects How Much Funding They Get," January 27, 2017.
 4. Source: Boston Consulting Group, "Want to Boost the Economy by \$5 Trillion? Support Women as Entrepreneurs," July 30, 2019.
 5. Source: McKinsey Global Institute, "How Advancing Women's Equality Can Add \$12 Trillion to Global Growth," September 1, 2015.
 6. Source: Fiduciary Trust International, "Beyond Conversation: Gender Inclusion Now," August 15, 2019.
 7. Source: *The New Economy*, "Anita Borg report makes strong case for investing in women," April 9, 2014.
 8. Sources: *Forbes*, "Diversity As Superpower: The (Well-Known) Data Against Homogeneous Teams in Venture Capital," September 22, 2020 and Padnos. C., High Performance Entrepreneurs: Women in High-Tech, Illuminate Ventures, 2010.
 9. Source: Athena Capital Advisors, "Investing in Gender Equity," January 2018.