


Women-led startups losing across the board: from creation to funding, in all key European markets

4th SISTA x BCG barometer on gender parity for startup creation & funding
Focus on France 

JUNE 2023

INTRODUCTION | Why gender parity matters



The tech start-ups industry faced a major crisis in 2022 due to the prevailing economic context of inflation, rising interest rates and decrease in the volume of fundraising rounds. Historically, **when an economic crisis occurs, women tend to be the first to suffer the economic hit. The gender gap in funding is no exception.**

Considering the catastrophic situation across the Atlantic, where **start-ups founded by women experienced a decline of over 20% in VC funding allocation in the past year (dropping from 2.4% to 1.9%)**, it piqued our curiosity to explore the situation in Europe. Our objective is to assess the representation of women within the start-up ecosystem in Europe. The results are concerning, to say the least.

Once again, we have decided to collaborate with BCG, strengthening our partnership established in 2019. SISTAx BCG proudly present **the first European Barometer on the financing conditions for women leaders in start-ups**. We aim to deliver an unbiased and comprehensive data analysis that act as a catalyst for driving change in the tech world.

Achieving gender parity is now vital, as it will boost economic growth, unlock new perspectives and drive a better future.

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In France, women-only teams particularly struggle, while gender-mixed teams seem to cope better

France ranks better when looking at gender-mixed teams. However, overall, difficulties faced by teams including women worsened in 2022, in a context of economic turmoil & freeze of investments.



France appears as #3 country in terms of gender parity at creation, with clear deterioration vs 2021: with new trend, parity in founding teams would only be reached in 2065 i.e. 10 years lost in a year.

France appears to be the country where women start the least a business solo (only 25%), where they team the least together (only 37%), and where gender-mixed teams have the lowest parity (only 50% of them; 47% of mixed have a majority of men). Both men & women partnered less with each other in 2022, forming fewer mixed teams (-~5pp). As a result, gender diversity at creation decreased vs. last year (-4pp vs. 2021), with only 20% of startups created in 2022 with at least 1 woman founder.



Following market contraction, teams including women have been granted smaller amounts to grow their business: ~€1M less than in 2021 (-20%) for women-only teams, ~€5M for gender-mixed teams (-36%).

However, as men-only teams are massively in majority (86% at creation) and also suffered a significant setback in funds raised (~€4M less, i.e. -20%), gender parity at funding have improved (+5pp vs. 2021). Still, only 14% of amounts raised went to a team including a woman.



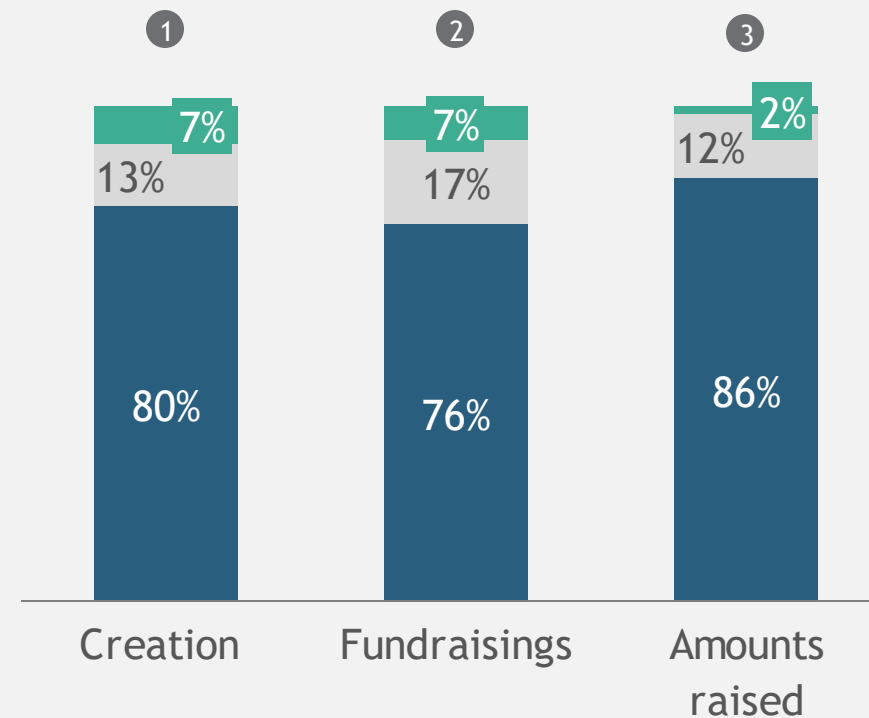
Teams including women almost disappeared after series B: they account for less than 8% of the teams funded (vs. 25% in earlier stages) none of them gathering exclusively women.

Gender diversity at Angel/Pre-Seed stage is similar to gender diversity at creation (15% of gender-mixed teams & 7% of women-only teams), but it deteriorates in later rounds.



Overall, women-founded startups account for only **7%** of creation, **7%** of fundraisings, **2%** of funds raised

% of startups created (①) vs. % of fundraisings carried out (②) vs. share of amount raised (③) in 2022



Types of founding teams:

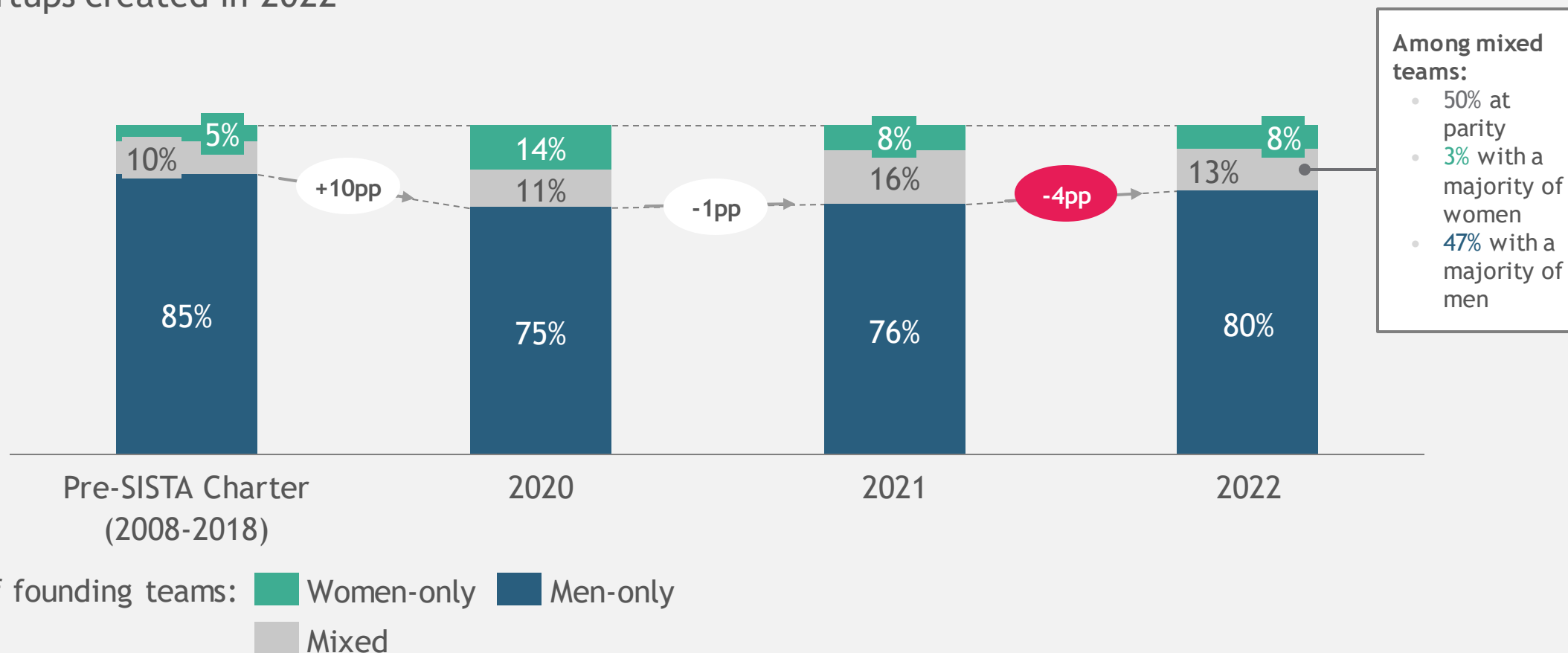
Women-only Mixed Men-only

Perimeter: Startups created in France in 2022 (N=239 startups), fundraisings carried out in France in 2022 (N=1182 fundraisings)
Sources: Crunchbase, Dealroom; BCG analysis



Gender diversity within founding teams decreased in 2022 (-4pp vs. 2021), due to the setback of mixed teams

% of startups created in 2022

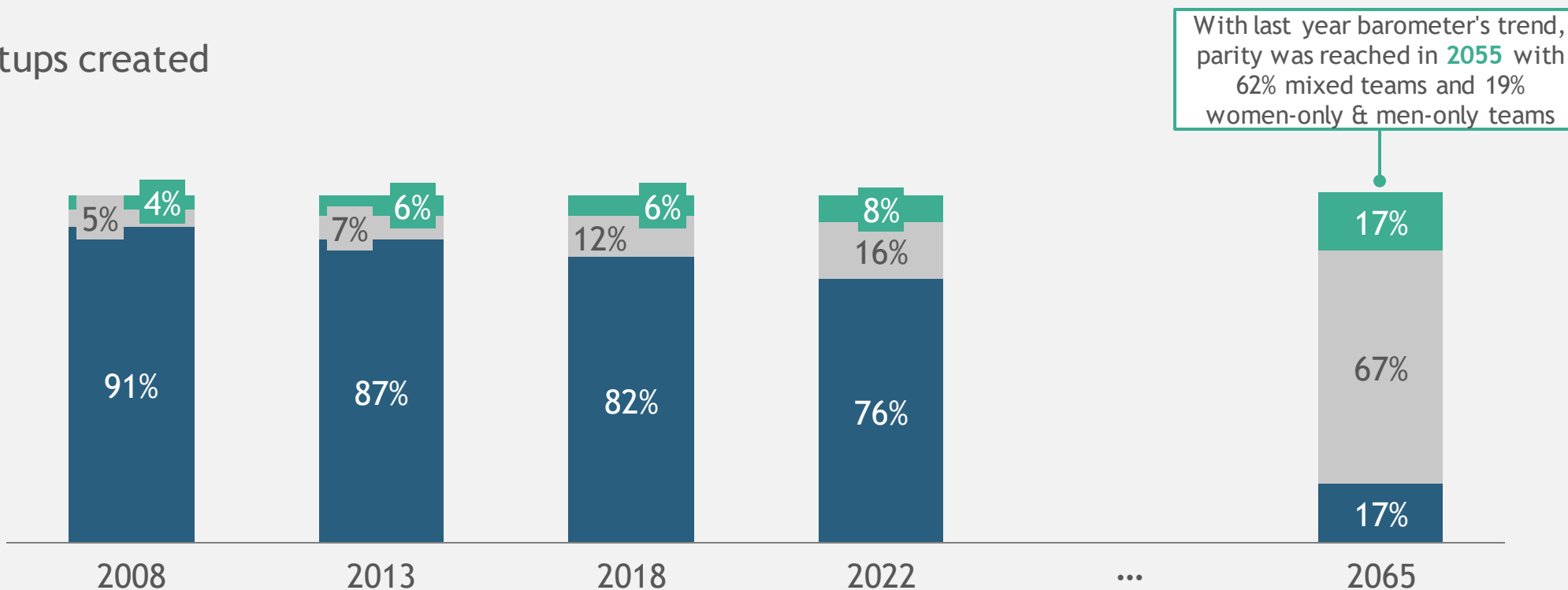


Perimeter: Startups created in France between 2008 & 2018 (N=3713 startups), in 2020 (N=246 startups), 2021 (N=331 startups) & 2022 (N=239 startups)
Sources: Crunchbase, Dealroom; BCG analysis



Given updated trend, parity in founding teams will only be reached in 2065, i.e. 10 years lost in a year

% of startups created



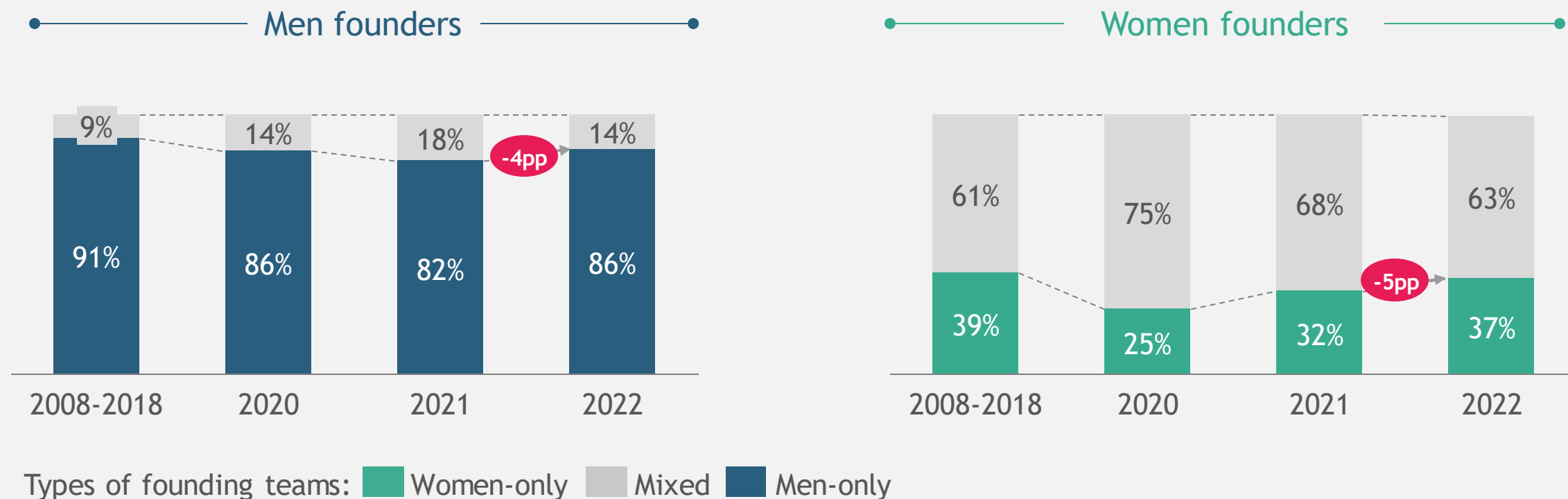
Types of founding teams: ■ Women-only ■ Mixed ■ Men-only

Note: projections based upon the global linear trend for 2008-2022, assuming mixed teams have the same number of men-only and women-only founders
Perimeter: Startups created in France between 2008 & 2018 (N=3713 startups), in 2020 (N=246 startups), 2021 (N=331 startups) & 2022 (N=239 startups)
Sources: Crunchbase, Dealroom; BCG analysis



In 2022, both men & women partnered less with each other, leading to lower gender diversity (-~5pp)

Split of men and women founders per team type



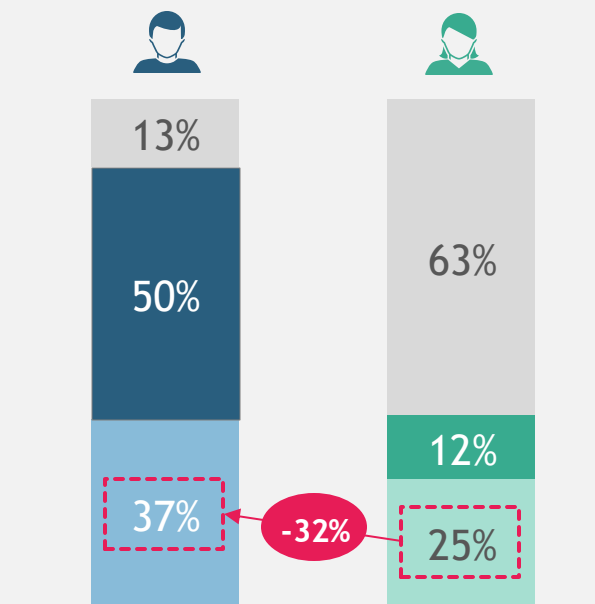
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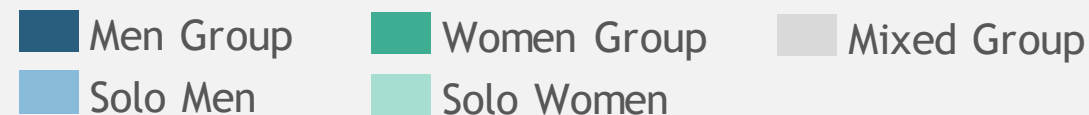
Only 1 in 4 women started a business solo (~30% less than men)
& only ~1 in 10 partnered with other women (vs. 1 in 2 men partnered with other men)



Distribution of team type for startups created in 2022, by gender



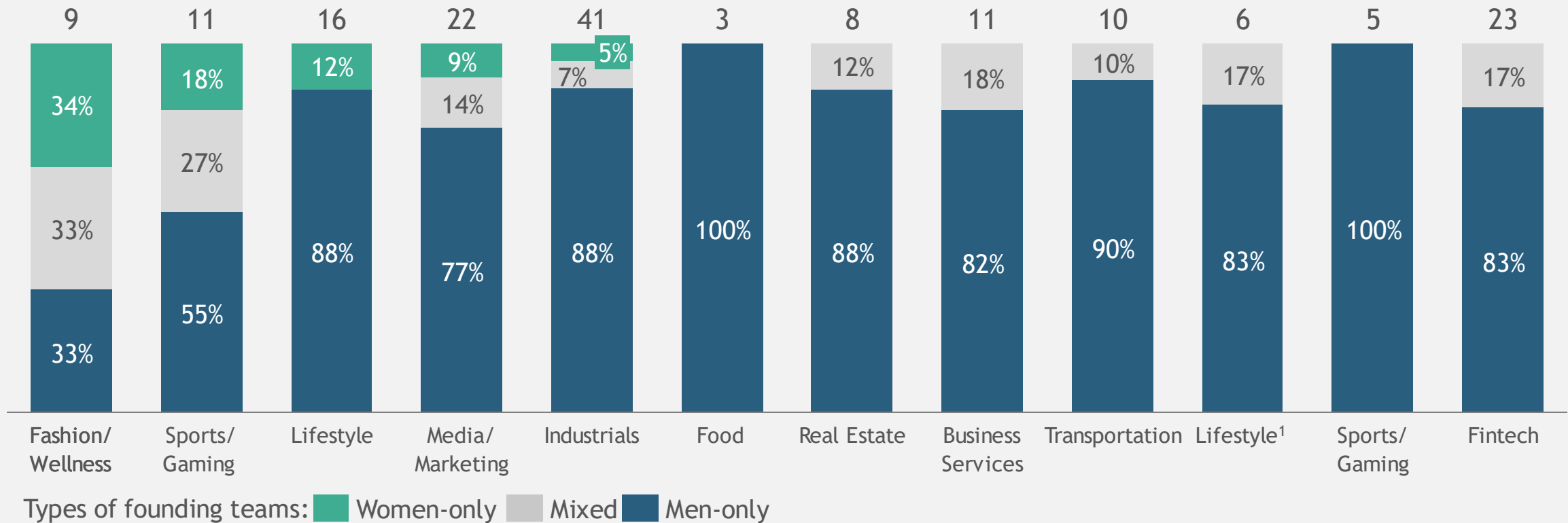
Types of founding teams:





Women tend to create startups in a concentrated number of industries, mostly in Fashion/Wellness

% of startups created in 2022, per industry

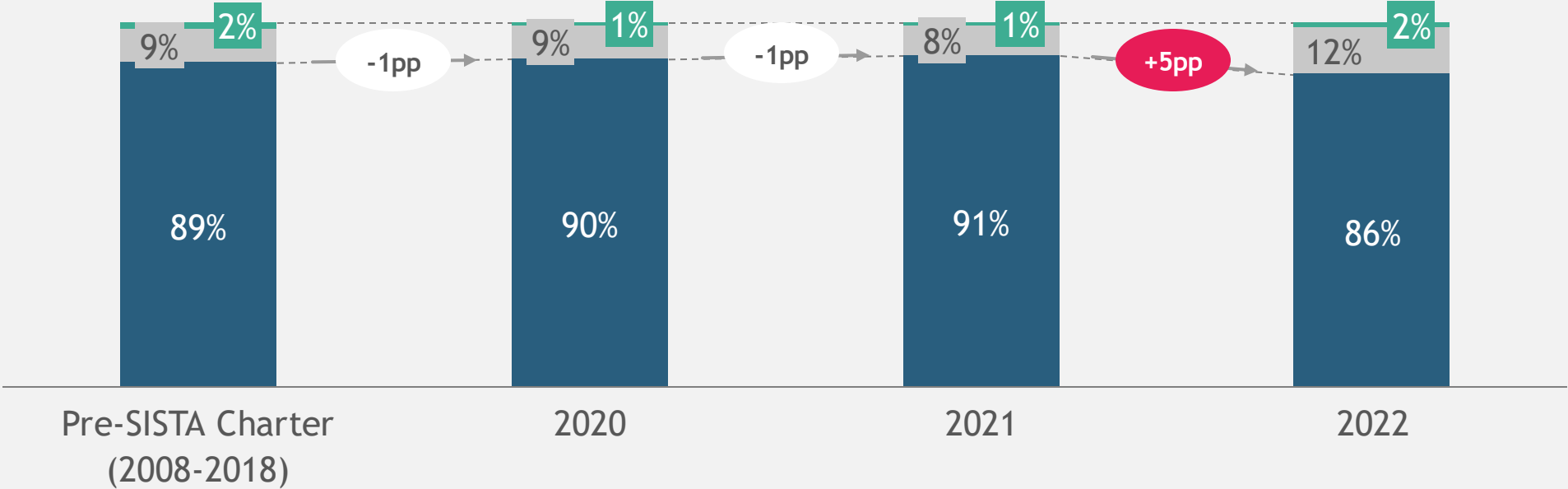


1. Lifestyle includes travel, home, leisure, wine & spirits, ...
 Perimeter: Startups created in France in 2022 with industry known (N=165 startups)
 Sources: Crunchbase, Dealroom; BCG analysis



In 2022, despite market contraction, access to funds improved for teams including women : +5pp vs. 2021

% of total amount raised

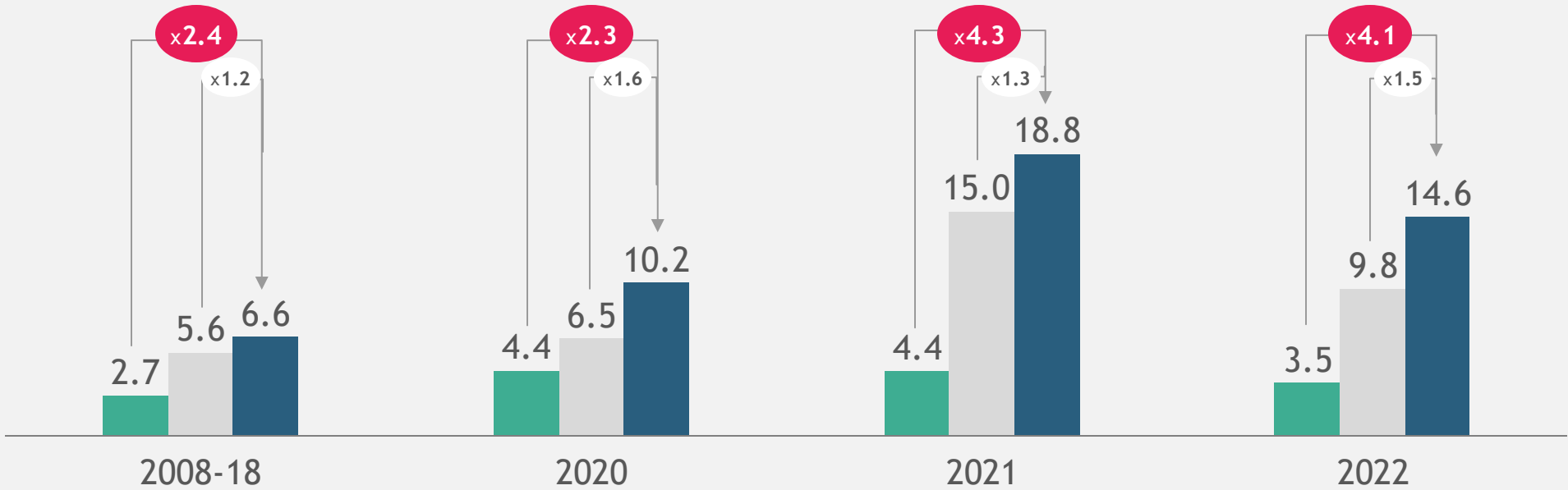


Types of founding teams: ■ Women-only ■ Men-only ■ Mixed

Perimeter: Fundraisings carried out in France between 2008 & 2018 (N=3725 fundraisings), in 2020 (N=335 fundraisings), 2021 (N=937 fundraisings) & 2022 (N=1182 fundraisings)
Crunchbase data in \$ converted into € at the average rate registered by the European Central Bank for each period considered
Sources: Crunchbase, Dealroom; BCG analysis

Yet, women-only teams lost €1M of average funding ; gap vs. men is twice higher than previous decade (~x4)

Average amount raised (€M), gaps vs. funds raised by men-only teams



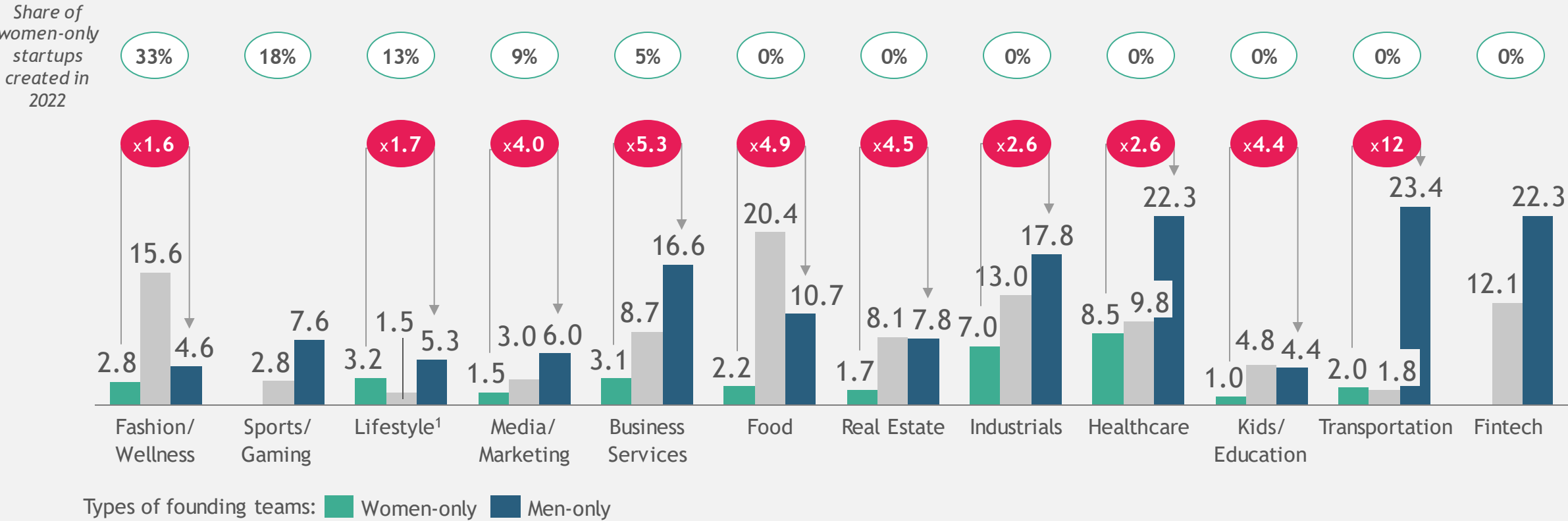
Types of founding teams: ■ Women-only ■ Men-only

Perimeter: Fundraisings carried out in France between 2008 & 2018 (N=3725 fundraisings), in 2020 (N=335 fundraisings), 2021 (N=937 fundraisings) & 2022 (N=1037 fundraisings) with amount known
 Crunchbase data in \$ converted into € at the average rate registered by the European Central Bank for each period considered
 Sources: Crunchbase, Dealroom; BCG analysis



Even in industries where most women found startups, women raise ~3x less than men

Average amount raised in 2022 (in €M), per industry



1. Lifestyle includes travel, home, pet, wine & spirits

Perimeter: Fundraisings carried out in France in 2022 with amount raised & industry known (N=907 fundraisings)

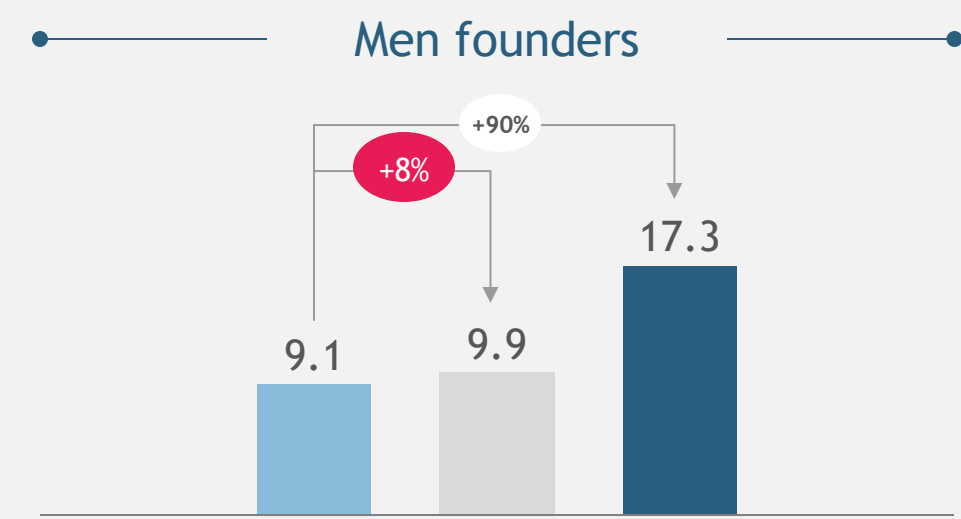
Crunchbase data in \$ converted into € at the average rate registered by the European Central Bank between 01/01/2022 & 31/12/2022

Sources: Crunchbase, Dealroom; BCG analysis



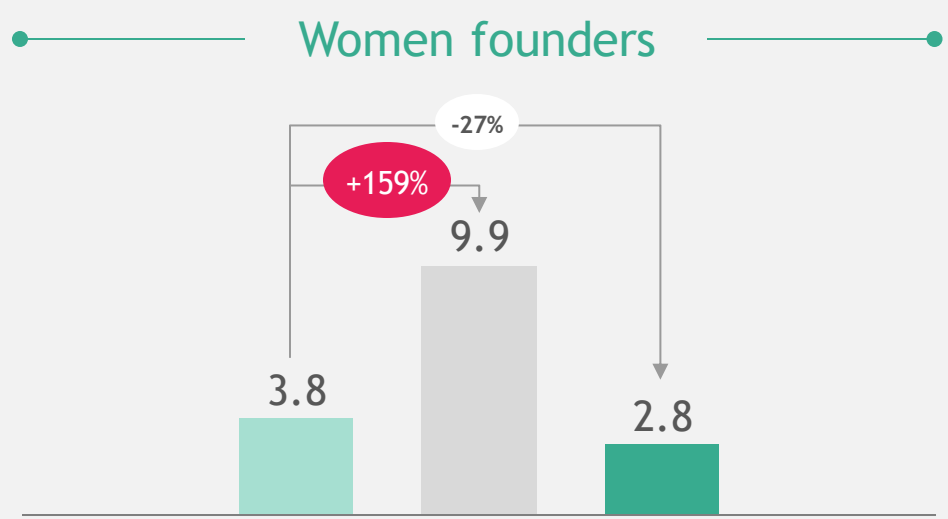
Gender-mixed teams remains the most realistic option for women as they raise ~160% more than being solo

Average amount raised in 2022(€M)



Types of founding teams:

Solo Men Mixed team Men team



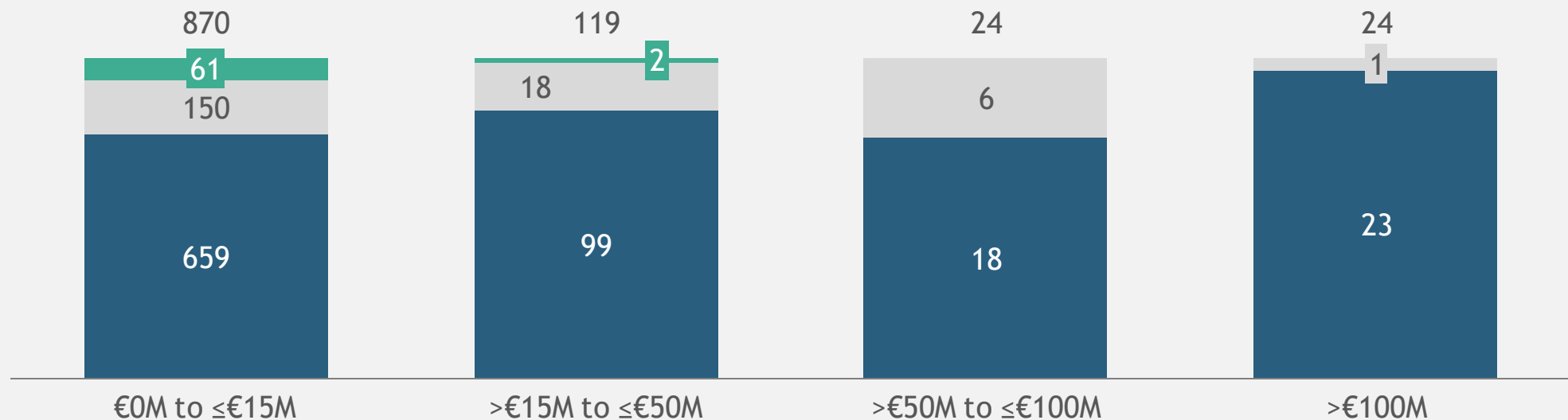
Types of founding teams:

Solo Women Mixed team Women team

Crunchbase data in \$ converted into € at the average rate registered by the European Central Bank between 01/01/2022 & 31/12/2022
Perimeter: Fundraisings carried out in France in 2022 with amount raised known (N=1037 fundraisings)
Sources: Crunchbase, Dealroom; BCG analysis

Large fundraisings by women-only teams are scarce: 97% of their operations do not exceed €15M

Distribution of amounts raised in 2022 (in number of fundraising)



Types of founding teams: Women-only Mixed Men-only

Perimeter: Fundraisings carried out in France in 2022 with amount raised known (N=1037 fundraisings)

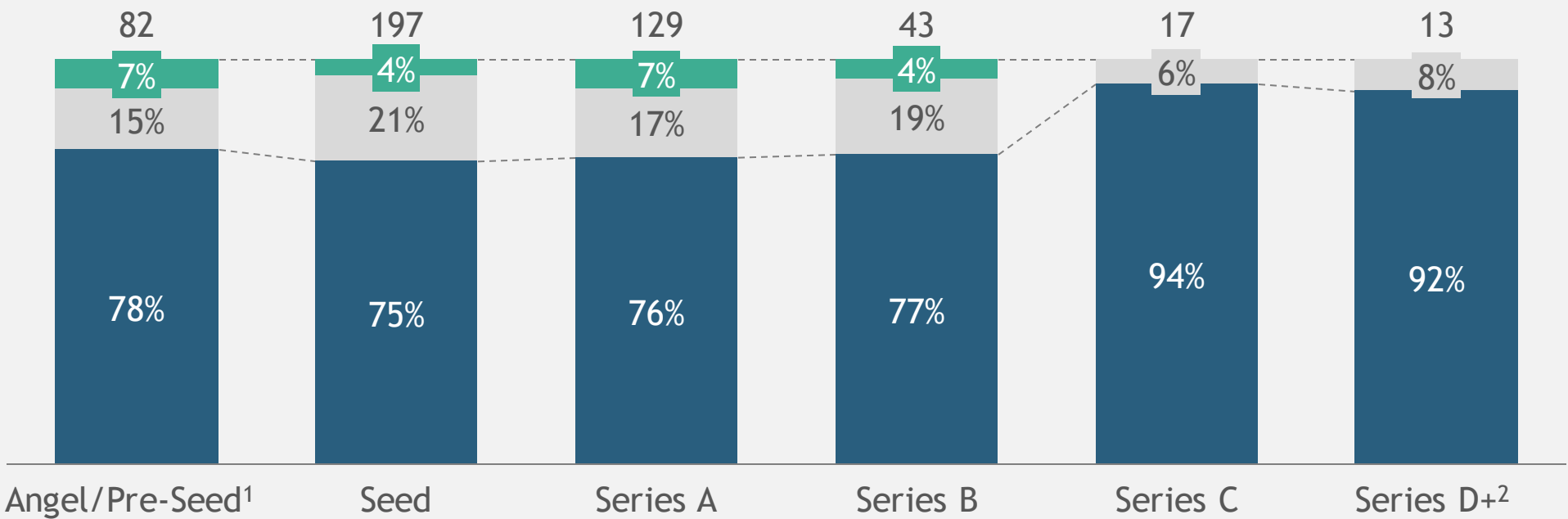
Crunchbase data in \$ converted into € at the average rate registered by the European Central Bank between 01/01/2022 & 31/12/2022

Sources: Crunchbase, Dealroom; BCG analysis



In a context of freeze of investments in later rounds, teams including women almost disappeared after series B

% of fundraisings carried out in 2022, per growth stage



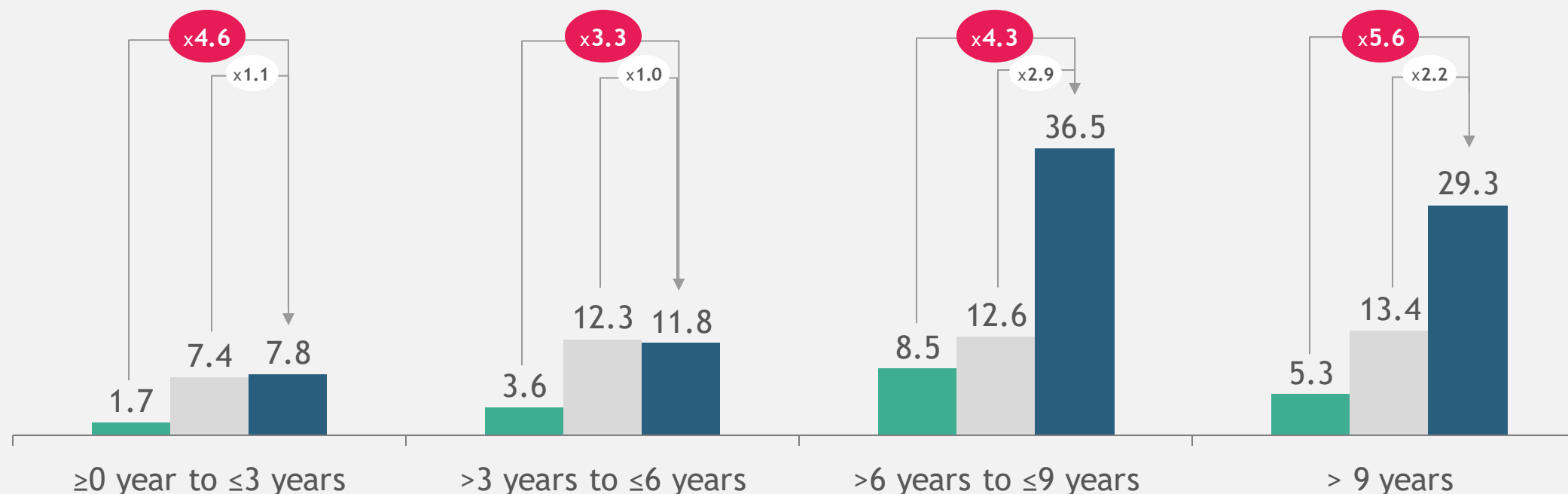
Types of founding teams: ■ Women-only ■ Men-only ■ Mixed

Note: This scope excludes the following financing types: Buyout, Convertible Note, Corporate Round, Debt, Equity Crowdfunding, Grant, Growth Equity VC, M&A, Non-Equity Assistance, Private Equity, Product Crowdfunding, Spac IPO, Spin-out, Support Program, and all fundraisings with series unknown or amount undisclosed
1. "Angel/Pre-Seed" also includes early stage venture. 2. "Series D+" includes series D, E, F, G and H
Perimeter: Fundraisings carried out in France in 2022 with growth stage known (N=481 fundraisings)
Sources: Crunchbase, Dealroom; BCG analysis



The more mature the startup, the wider the financing gap for women vs. men-only teams

Average amount raised in 2022 (€M), per startup age



Types of founding teams: ■ Women-only ■ Men-only

■ Mixed

Perimeter: Fundraisings carried out in France in 2022 with amount known & startup age known (N=1037 fundraisings)

Crunchbase data in \$ converted into € at the average rate registered by the European Central Bank between 01/01/2022 & 31/12/2022

Sources: Crunchbase, Dealroom; BCG analysis

The first SISTA x BCG European barometer

3 former editions of the barometer

After 3 editions of the SISTA x BCG barometer, focusing mainly on gender inequalities within the French tech and startup ecosystem, this 4th edition aims at broadening the scope of the analyses and exploring trends and differences across 5 European countries (France, UK, Germany, Spain and Sweden)



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In 2023, scaling the barometer to a European level

- Constitution of a database of **1,788 startup creations** and **6,157 fundraisings in 2022** covering France, UK, Germany, Spain, Sweden made out the union of Crunchbase and DealRoom extracts
- Exclusions:
 - Post-IPO growth stages
 - Companies created more than 15 years ago¹
 - Legal establishments which did not correspond to an entrepreneurial reality
- De-duplication logic:
 - Union of largest set of founders within database
 - 1 data point per fundraising, with a max. of 2 fundraisings per startup and per year
- Gender qualification:
 - Use of a **gender matching algorithm** (800k+ first names)
 - **Manual enrichment of founders' names and genders** for missing data points, via LinkedIn, startups' websites and press releases

1. Or with no creation date recorded in databases

2022: An unfavorable context for startups overall, impacting negatively gender parity



Sources: interviews of VC from France, UK, Germany, Spain & Sweden

“ Market has completely crashed; there's a clear knock-down compared to 2021.

“ We see many startups going out of business, women-founded ones first & foremost.

“ With the rise of interest rates, private investors have vanished, there is no capital anymore.

“ Private investors are nervous: Series B+ are frozen; Series A are still happening, but investors are more careful when pulling the trigger.



Women are still under-represented in startups; situation deteriorates along their journey

Overall, in 2022, women-founded startups account for only 10% of startups created, 7% of fundraisings carried out and only 2% of funds raised.



With less than 1 in 4 startups created that includes a woman as founder, gender equality lags behind across Europe.

Across France, UK, Spain, Germany and Sweden, only 10% of startup created in 2022 have been created by women-only teams, 12% by gender-mixed teams. Sweden appears to be the front-runner with ~1 startup in 3 created by one woman at least, while France & Spain hit bottom with ~1 startup in 5.



Worse still, less than a fifth of the money raised goes to a founding team that includes a woman. The average amount raised by women-only teams remains ~4x lower than men-only teams.

Women raise significantly less than men even in industries with highest share of women founders¹. Depending on countries, men-founded startups capture 77% to 91% of the total funds raised, leaving only 7% to 22% for gender-mixed teams and only 1% to 5% to women-only ones. Women are excluded from large fundraising operations: 94% of their fundraisings were below €15M, and only 2 operations are above €50M (vs. 215 for men in 2022). The lack of women entrepreneurs is not the only issue: in Sweden, teams including women create 30% of startups but only get 12% of the funds raised.



And inequalities exacerbate over time. Amounts raised by women tend to reach a glass ceiling after 6 years of startup existence while amounts raised by men boom.

Consequently, financing gap widens over time, reaching 10x in average after 9 years. The share of women-only teams consistently decreases as funding rounds proceed, from 7% of the fundraisings carried out at the "Angel/Pre-Seed" stage to 2% in series D+.

1. Fashion/Wellness, Lifestyle, Healthcare
Sources: Crunchbase, Dealroom; BCG analysis



Gender-mixed teams remains the most realistic option for women to create & scale their startup

Overall, gender-mixed teams face much less inequalities than women-only teams

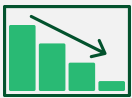


Women's presence within startups' founding teams is mostly driven by gender-mixed teams today. 61% of gender-mixed teams are already at parity.

75% of the ~1 in 4 fundraisings carried out by a founding team including a woman come from a gender-mixed team.

55% of women partner with men to create a startup, whereas 33% of them go solo and 12% partner with other women.

Women partner 3,5x less with their peers than men do, and start a business solo 25% less than men.



Women have raised ~3x more in gender-mixed teams than in women-only teams in 2022.

Women raise in average €12M when partnering with men, vs. only €4M in women-only teams. While women-only teams raise ~4x less than men-only team, this gap is reduced to 1.4x for gender-mixed teams.



Women in gender-mixed teams raise almost as much as men-only teams in the first 9 years.

The best bet for women is to partner with men, as gender-mixed teams raise in average similar amounts than men before startups reach 9 years old. There are 3x more gender-mixed teams funded at early stages (Angel/Pre-Seed, Seed, Series A) than women-only teams, 6x more at later stages (series D+).

CONCLUSION | Call-to-actions



The funding gap between men and women in start-ups sends a clear message: there is still much work to be done, and it is urgent. Those start-ups are shaping tomorrow's world and it shouldn't happen without 50% of the population's inputs.

Despite differences among European countries, none can claim to be a gender parity champion. And the lack of women in the entrepreneurship pipeline do not explain these results, as demonstrated.

It is time for all stakeholders to unite and take immediate measures to address the biases that perpetuate these disparities, which can amount to as much as a 35% in funding gaps¹.

By acknowledging the urgency of the situation, we take the lead in driving efforts to tackle change. The SISTA charter, for instance, serves as a comprehensive framework for investors and VC firms to enhance gender parity. By signing it, they commit to support gender representation measurement, to adopt inclusive recruitment and investment practices, and promoting best practices in the industry. ***Becoming a SISTA Investor Ally marks a first step toward achieving greater gender equity.***

Together, we can forge a new path forward where women entrepreneurs have every opportunity to excel and make their mark in the start-up world

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1. Source : [Columbia Research](#)

Startups were grouped into 12 industries



Fintech

Fintech, financial services, finance, payments, crypto, banking, trading platform, credit, financial exchanges,...



Industrials

Energy, greentech, manufacturing, robotics, cleantech, space, semiconductors, 3d technology, waste management, battery, chemicals, ...



Transportation

Logistics, automatic, EV, supply chain, packaging, shipping, freight, ...



Kids/Education

Edtech, e-learning, training, kids, children, ...



Real Estate

Construction, property management, rental, architecture, building material, smart building, leasing, ...



Business Services

IT, enterprise software, analytics, security, b2B, HR, legal, insurance, cyber security, service providence, compliance, ...



Healthcare

Biotechnology, healthcare, medical devices, pharmaceuticals, health insurance, therapeutics, ...



Media/Marketing

Marketing, media, music, ads, social media, telecom, brand marketing, dating apps, news, lead generation, ...



Food

Food, agriculture, food delivery, restaurants, ...



Sport/Gaming

Gaming, sports, esports, casual games, gamification



Fashion/Wellness

Fashion, wellness, beauty, fitness, nutrition, wearables, cosmetics



Lifestyle

Travel, home living, leisure, wine & spirits, hosting, hotel, adventure travel, ...

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