

# Women need a fairer 'cut' of the investment slice



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The Metropolitan Museum of Art in New York recently held an exhibition focusing on 'Women Dressing Women' and a celebration of 70 of the most successful female fashion designers of the 20th Century. It included the likes of Jeanne Lanvin, Elsa Schiaparelli, Madeleine Vionnet and Gabrielle Chanel, along with contemporary designs by Iris van Herpen, Anifa Mvuemba, Simone Rocha and Tory Burch.

The French have the word 'couture' from which a 'couturiere' is a seamstress (or needlewoman) whereas a 'couturier' is the dressmaker, creator and master. It could be an indictment of the world we live in today.

Fashion designers, whether women or men, have the same skills and perform the same task but are seen as fundamentally different in the way they are described. It is the men who have, historically, been able to access the capital that has led to their names emblazoned on the fashion house door, while the women have been largely anonymous, other than in exceptional circumstances.

It's a familiar story, and a scenario that is played out across many different sectors in which women

work. The fact that women consistently fail to secure levels of funding comparable to their male peers is borne out by the facts. PitchBook's ongoing analysis of venture capital deals highlights some sobering statistics.

Companies in the US and Europe founded solely by women accounted for a fraction of the total capital invested in venture-backed start-ups. The numbers, the report claims, have been trending upwards since 2021 and 2022 saw the creation of several women-led funds, incubators for female founders and more new companies. Any 'positive' news, however, needs to be tempered by volumes and values that still remain stubbornly low:

In 2023:

- US - 7.0% of VC deals went to a female (co-) founder, and 19.3% went to female & male founded start ups
- Europe - 5.2% of VC deals went to a female (co-) founder, and 20% went to female & male founded start-ups
- US - 2.0% of VC capital went to a female (co-) founder, and 21.2% went to female & male founded start ups
- Europe - 1.8% of VC capital went to a female (co-) founder and 18.5% went to female & male founded start ups

In terms of venture capital deal flow for female (co-) founded companies:

- US - Capital invested \$33.4b (compared to highest in 2021 of \$61.7)
- Europe - Capital invested €10.6b (compared to highest in 2021 of €17.2bn)
- US - Deal volume - 3,371 (compared to highest in 2021 of 4,968)
- Europe - Deal volume - 2,333 (compared to highest in 2021 of 3,332)

The reasons why women fail to receive their fair share of investment is a moot point, but it cannot be coincidence that women are still deeply underrepresented in the world of venture capital. According to All Raise, only 14.3% of decision-makers at US-based venture capital firms with over \$25 million dollars in assets under management are women.

Levelling the playing field will not only benefit female entrepreneurs; it also benefits wider economies. BCG estimates that global GDP would rise by 3% to 6% annually if women entrepreneurs were to receive the same investment as their male counterparts. That would boost the global economy by up to \$5 trillion annually.

Fixing the funding gap will require a redesign of the VC model to not only address the prevailing presence of gender bias but also to overturn the scarcity of female investors who sit on fund boards, lead deals or who ultimately write the investment cheques. And there are five trillion good reasons for doing so.

**We're here to support you on this important journey.**

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