



The Gender Gap in Startup Investment 2022

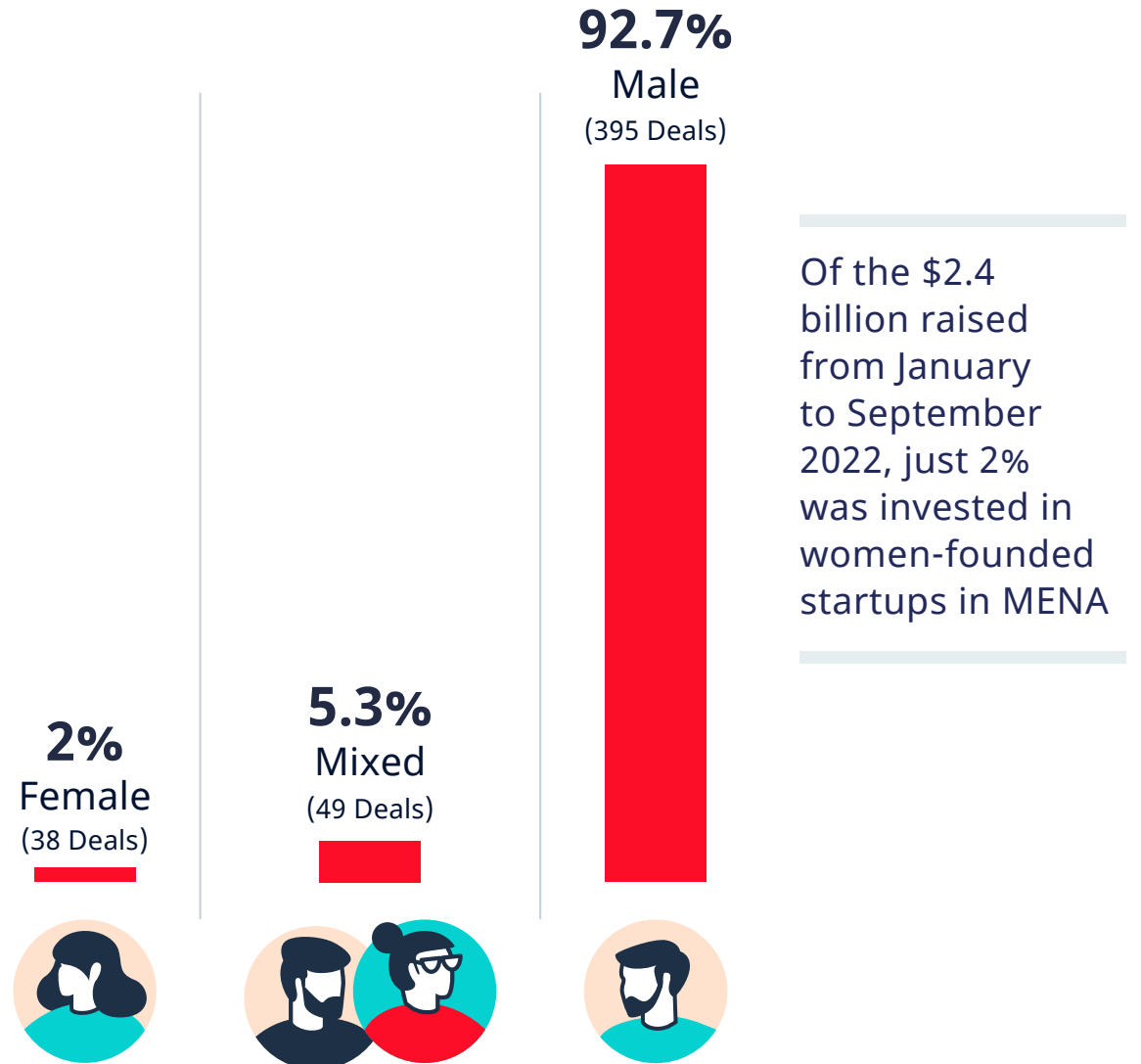


INTRODUCTION

Investment in the Middle East and North Africa's (Mena) startup ecosystem continues to surpass expectations and break records.

In 2021, \$3 billion was invested across 639 deals, almost triple the amount raised by startups the year before. Yet despite the substantial growth in investment, less than 1% of this went to women-founded startups in 2021.

Of the 482 startups that raised almost \$2.4 billion in the first nine months of 2022, just 38 were founded by women, who raised 2 per cent of the total investment value. When considering startups co-founded by men and women, the landscape improves somewhat, but the gender gap still remains.



The investment trends in the region are similar to those seen across the world, where startups founded by men account for the overwhelming majority of investment value and deals, a problem that has less to do with lack of pipeline and more to do with the lack of female representation and subconscious bias among the male-dominated investment community.

An experiment by researchers from Harvard Kennedy School found that almost 70 per cent of investors preferred pitches presented by male entrepreneurs compared to female entrepreneurs, even when the content of the pitch was the same.

Closing the gender investment gap and enabling more women to participate equally as entrepreneurs could raise global gross domestic product (GDP) by up to 6 per cent according to analysis from Boston Consulting Group, which could add up to \$5 trillion to the global economy.

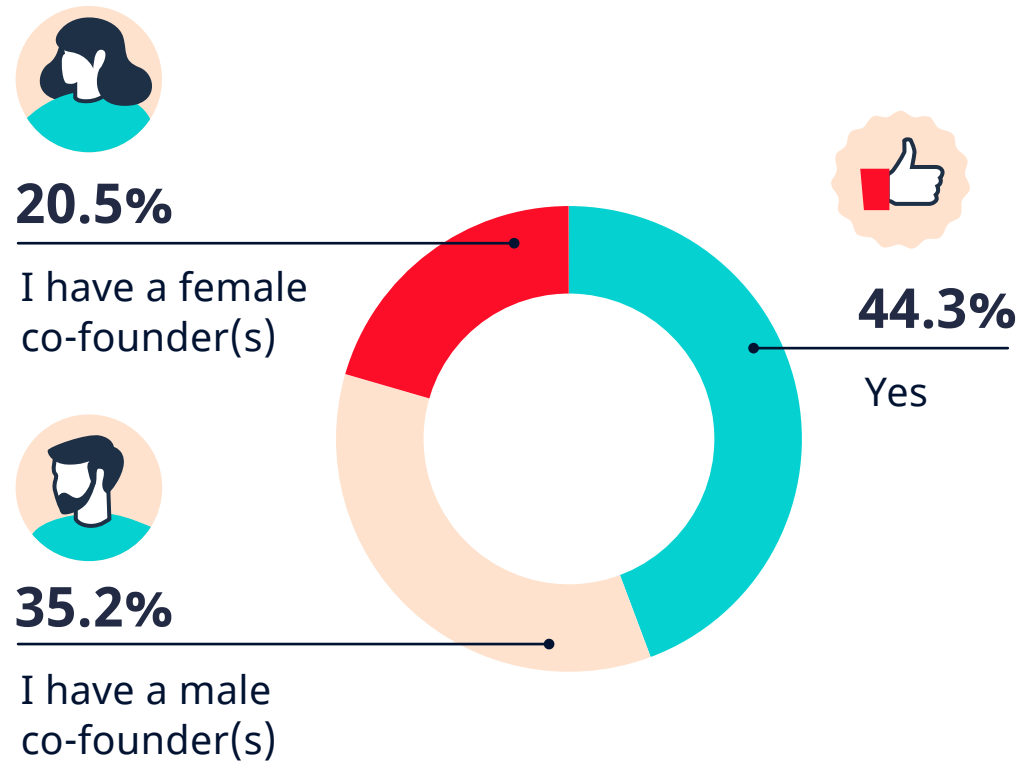


If more women had equal access to entrepreneurship opportunities and could start accumulating wealth, the gender wealth gap could also begin to reduce further. Gender diversity in the startup ecosystem can fuel the growth of women-owned enterprises which can ultimately unleash new ideas, services, and products into the markets, redefining the future.

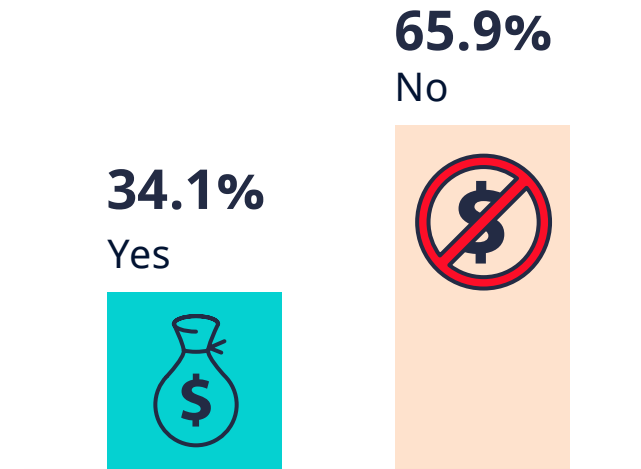
This report, published in collaboration with TiE Dubai and TiE Women is based on the responses of 125 female founders in Mena. It seeks to understand the sentiments and challenges facing women entrepreneurs when raising investment.

Solo founders, regardless of sex, face a more difficult time in raising investment. Investors typically prefer two or three co-founders to share the burdens of starting a business and provide the checks and balances in decision-making.

ARE YOU A SOLO FOUNDER?

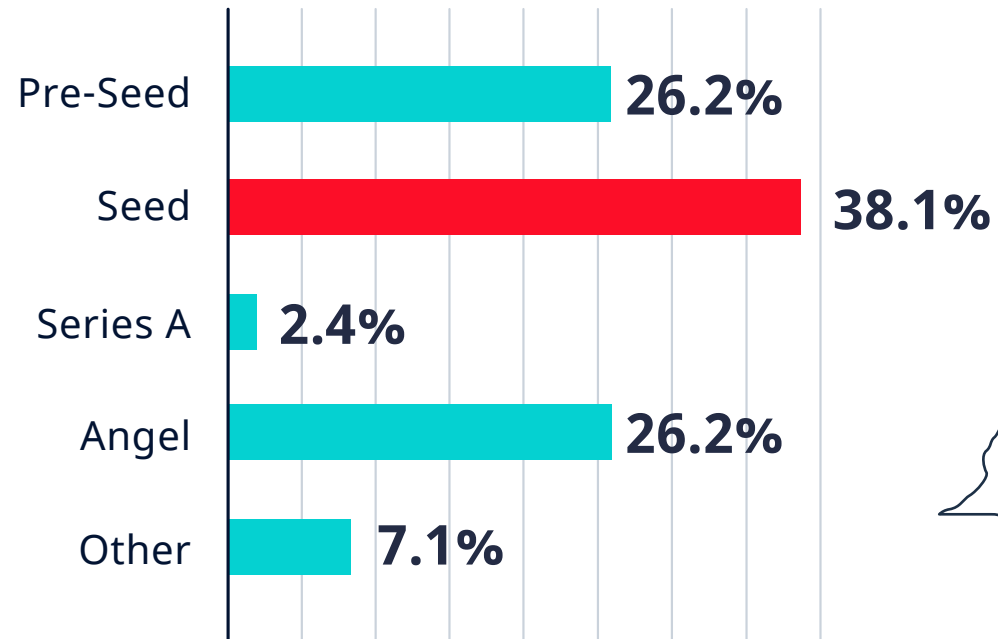


HAVE YOU RAISED INVESTMENT?

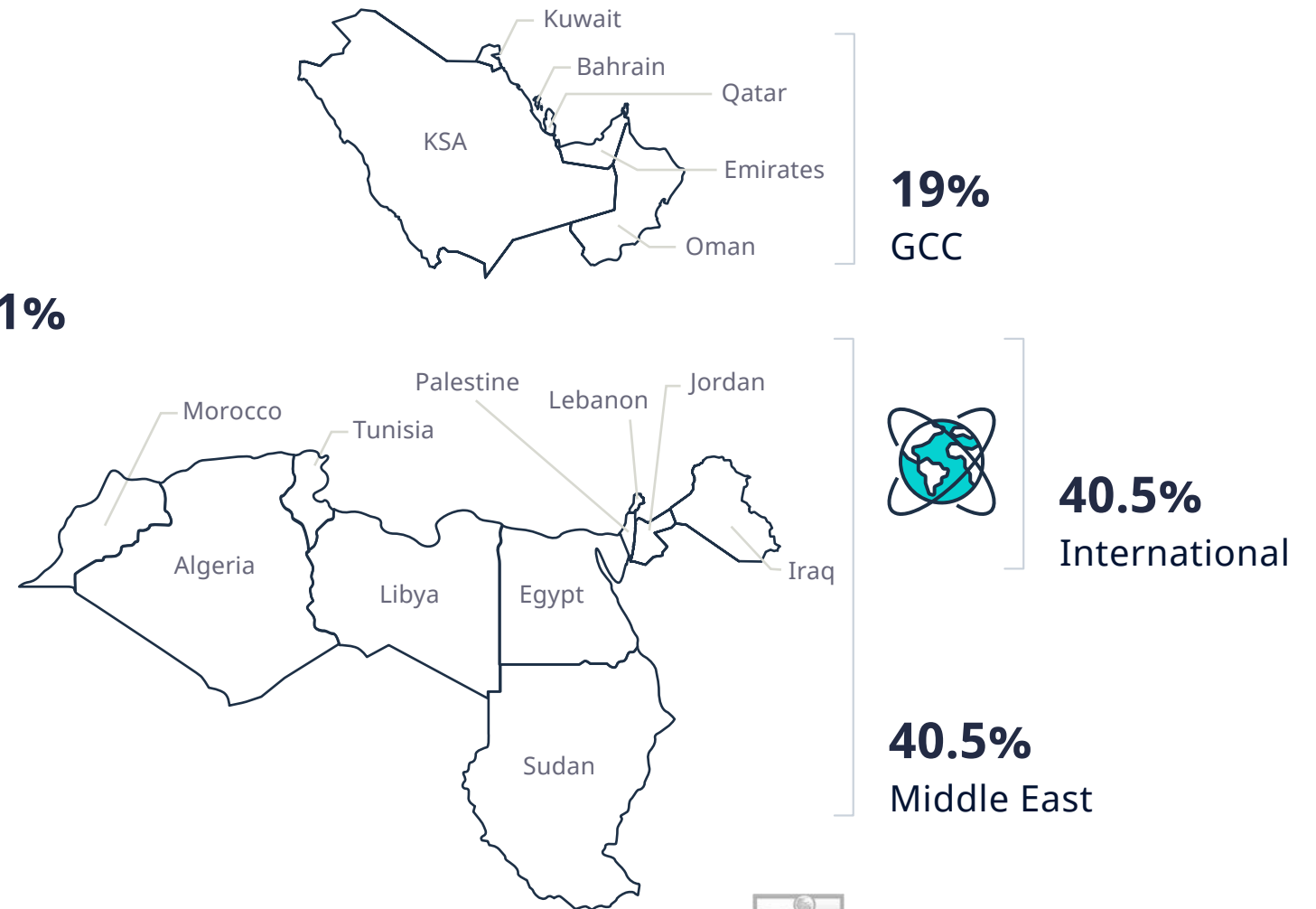


“Investors look at patterns and what they know. Unconscious bias is real”

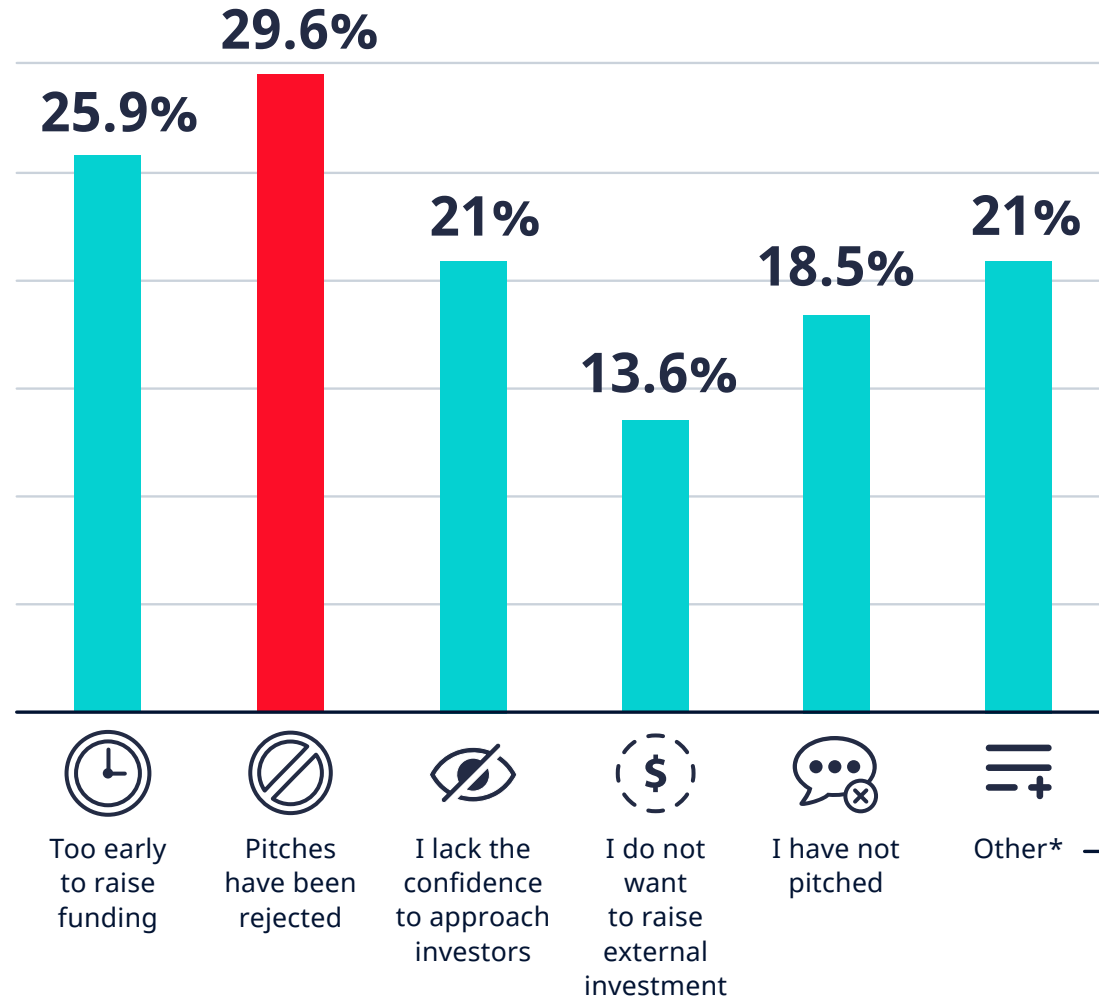
IF YOU HAVE RAISED INVESTMENT, WHICH STAGE OF FUNDING?



WHERE ARE YOUR INVESTORS BASED?

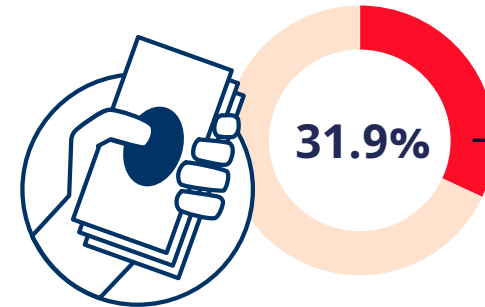


IF YOU HAVEN'T RAISED ANY INVESTMENT - WHY?



IN YOUR EXPERIENCE ARE MENA-BASED INVESTORS MORE OR LESS LIKELY TO INVEST IN WOMEN-LED STARTUPS WHEN COMPARED TO GLOBAL INVESTORS?

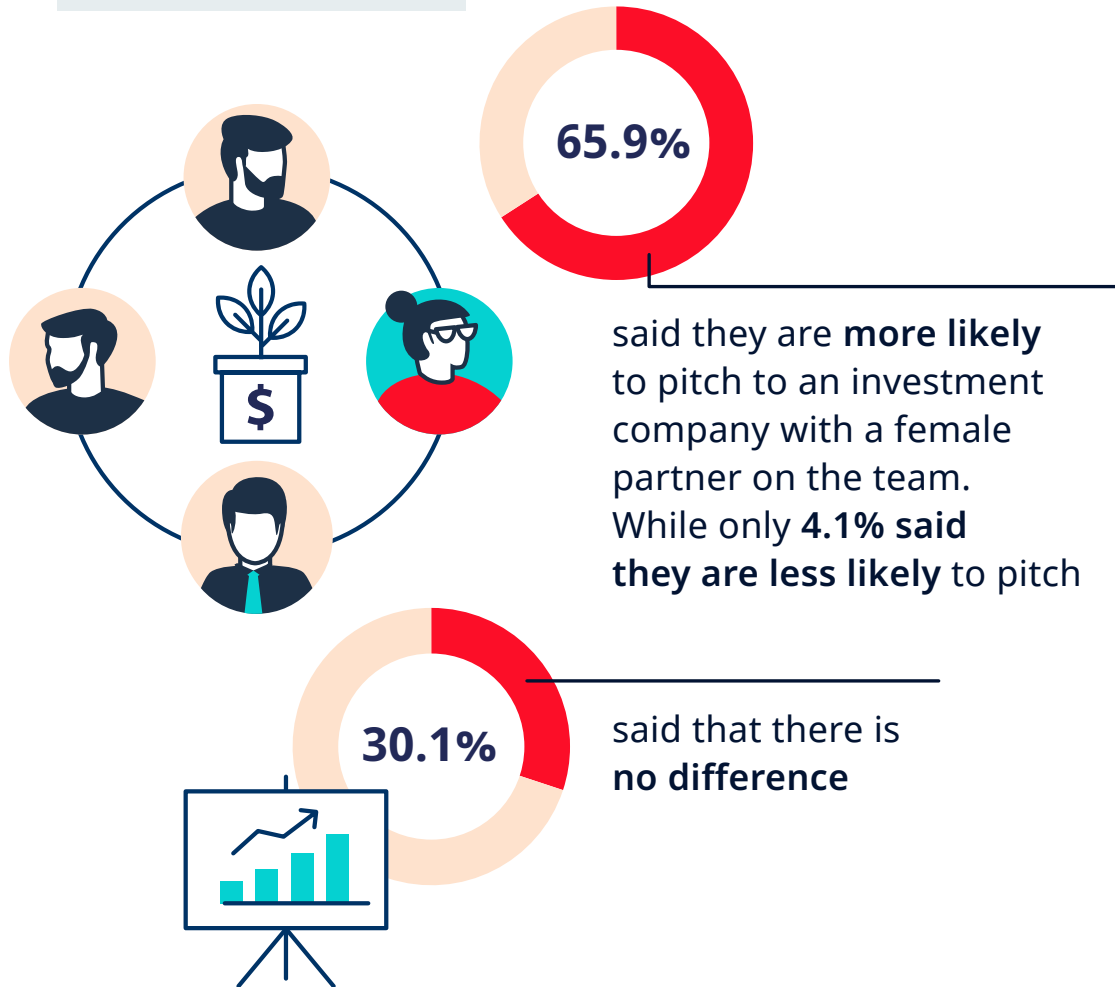
said that MENA-based investors are **less likely** to invest in women-led startups when compared to global investors. While only 10.3% said it is more likely



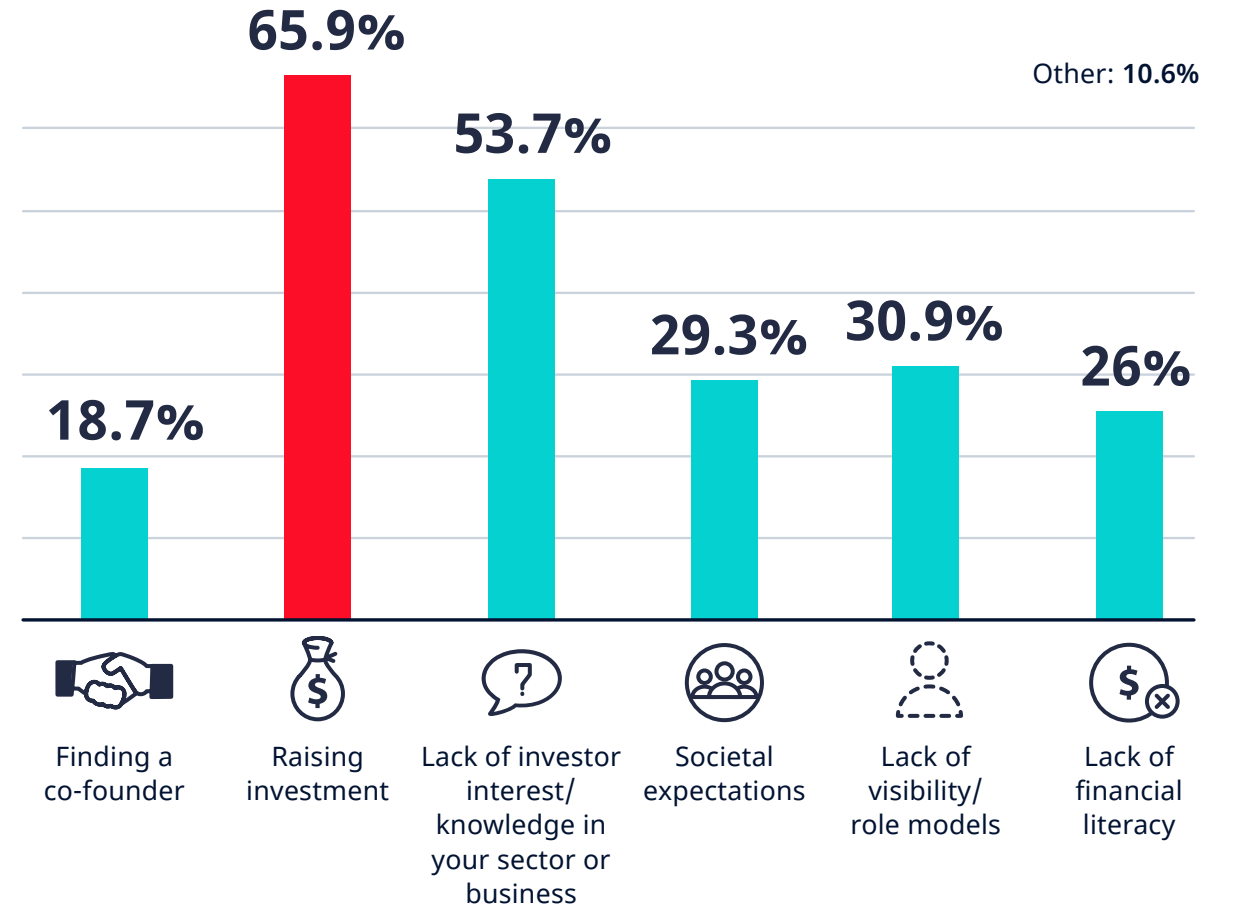
said that there is **no difference**

*Some of the founders feel their access to investor networks is lacking hence the reason why they have not raised investment. Others have shunned investors due to past experience of being rejected, while several want to wait until they generate revenue before approaching investors.

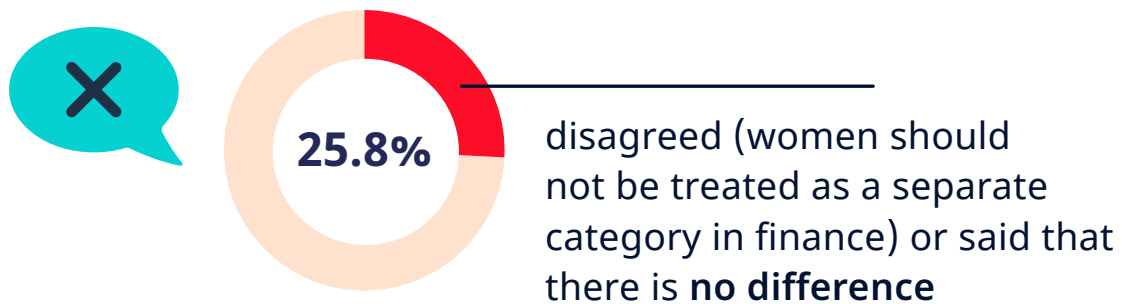
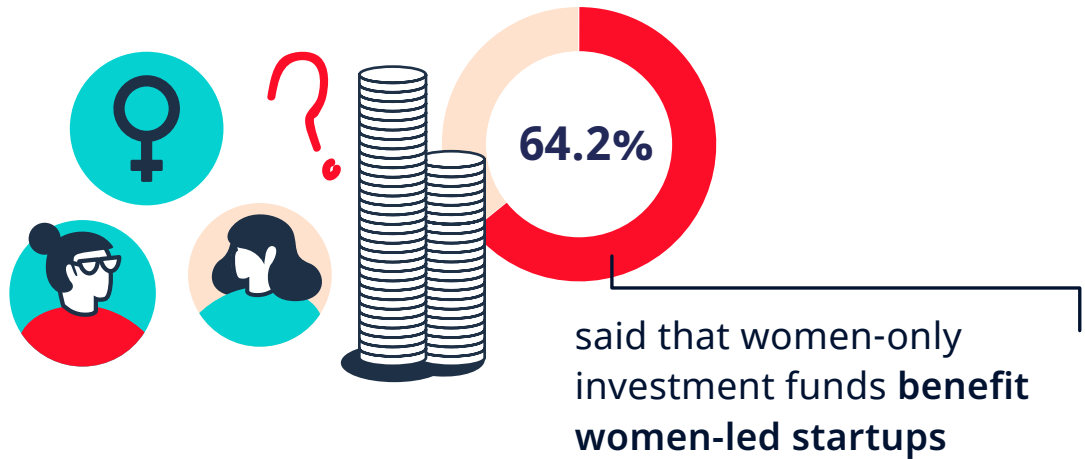
WOULD YOU BE MORE OR LESS LIKELY TO PITCH TO AN INVESTMENT COMPANY WITH A FEMALE PARTNER ON THE TEAM?



WHAT DO YOU THINK ARE THE BIGGEST OBSTACLES FACING WOMEN FOUNDERS?



“I think there is a lack of belief in women working professionally. There are more men in business than women...and the old boys network works against us”



WHAT DO YOU THINK IS THE BEST WAY TO OVERCOME THE GENDER INVESTMENT GAP?

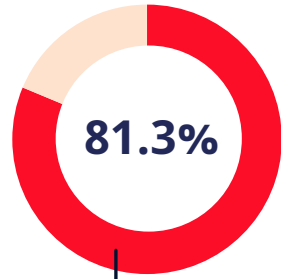
More women-focused funds and VCs
58.5%

More women partners in VCs
61.8%

Better financial literacy education
39%

Women-focused programmes/incubators/accelerators
54.5%

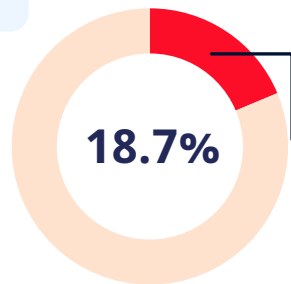
Other
16.3%



said that they are **planning to raise investment** in the next 12 months

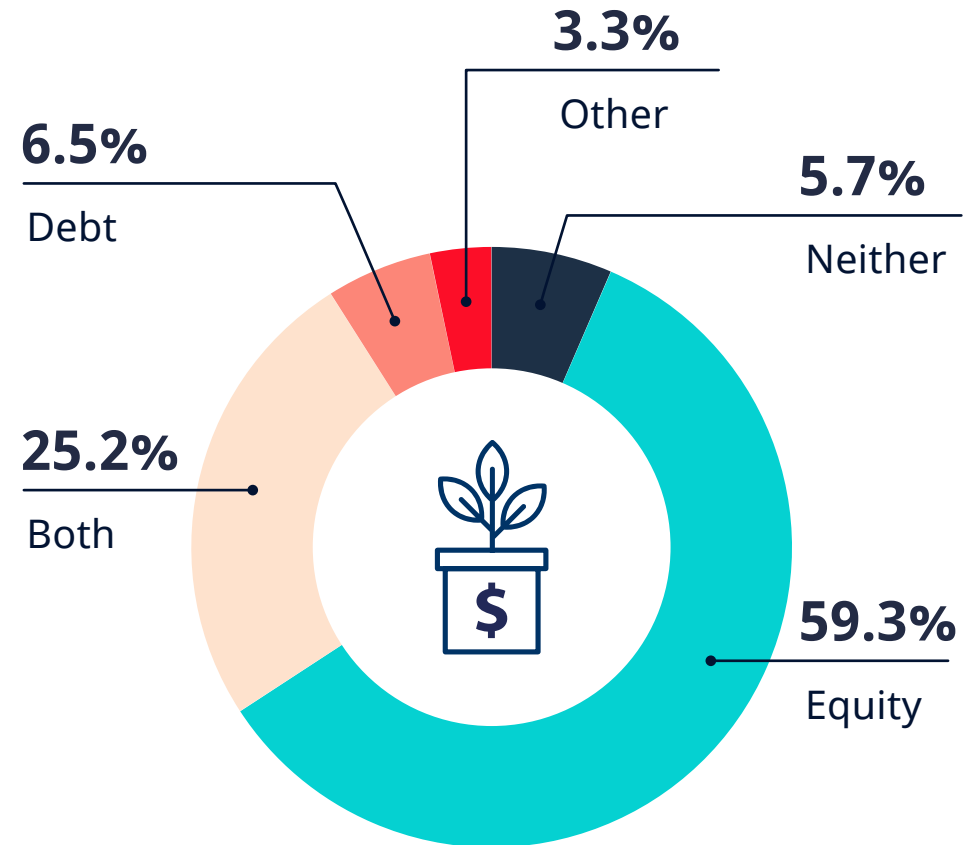


“Acknowledge that the life of a female founder is not equal. Equity will be key to unlocking this gap”



they are not planning to raise investment or are unsure

WOULD YOU RATHER RAISE DEBT OR EQUITY?



WHAT WILL BE MOST HELPFUL/BENEFICIAL TO YOU AND YOUR STARTUP?



29.3%
Pitchdeck
development



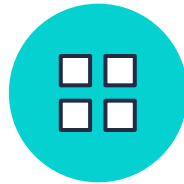
24.4%
Pitch
training



61.8%
Preparing your
company to access
funding



82.1%
Knowing which
investors are likely
to take an interest
in your startup



6.5%
Other

“This bias
can only be
eliminated
by social
transformation”



About Wamda

Wamda accelerates entrepreneurship ecosystems across the Middle East and North Africa region through its sector-agnostic investment vehicle, Wamda Capital, which invests in high-growth technology and tech-enabled startups. Its leading knowledge platform provides the region with impactful thought leadership and research, community development as well as corporate and government advisory services to stakeholders of the startup ecosystem.



About TiE Dubai

The TiE Dubai chapter was established to promote the spirit of entrepreneurship in the Middle East region as part of the TiE Global organization. Through its 80+ Charter Members, TiE Dubai provides guidance and assistance to a community of more than 3000 budding entrepreneurs through programs that span across networking, education, incubation, funding and mentoring. The Dubai Chapter of TiE was inaugurated by His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Chairman of the TECOM Free Zone Authority, and TiE Dubai enjoyed the support of TECOM and Dubai Internet City since its inception in January 2003.



About TiE Women

TiE Women is a global initiative dedicated to empowering women entrepreneurs across the globe to come forward and speak of their entrepreneurial journey, share their innovative business ideas and be a part of the vibrant entrepreneurial ecosystem.

TiE Women aims to increase funding for women entrepreneurs. The TiE Women MENA Program run by TiE Dubai focuses on the Middle East and North Africa region.

The vision and goal of TiE Women is to 'Embrace, Engage, Empower' women entrepreneurs across the globe – irrespective of the size, origin, interests, standing and background of the enterprise. The TiE Women initiative is built on the Pillars of TiE Global: Learning, Mentoring, Access to Funding, Scalability, Safe Space and Community. Built upon best practices from local chapters' women-centric initiatives, TiE Women will specifically result in capacity building, increased networking, knowledge-sharing, and visibility, providing a 'safe space' for women entrepreneurs to learn without inhibitions and judgement.

