

Short Sightedness, Not Shortage of Talent largely responsible for underinvestment in Women of Color tech entrepreneurs

SUMMARY

Despite evidence that diversity is good for science and business, women of color (WOC) STEM entrepreneurs are continuously overlooked for growth and investment opportunities by entrepreneurship support organizations, angel investors, venture capitalists, and other funders. When WOC are excluded from development opportunities, it raises economic competitiveness concerns and weakens the ability of the sector to design and produce solutions that meet the needs and expectations of ever growing and diverse consumers. Investors tend to attribute funding inequities experienced by WOC STEM entrepreneurs to talent shortages, an old trope that requires little attention to biases that underlie the lack of effort and progress made to address this issue. However, a new study by the Association for Women in Science (AWIS) rejects the pipeline theory as a major contributor of funding disparities and instead puts the onus on funders to broaden their networks and efforts to reach marginalized tech entrepreneurs who stand ready for expansion. The study also provides evidence that traditional incubator and accelerator programs do not adequately support or advance WOC tech founders. These programs often ignore systemic barriers experienced by WOC, and in many instances, perpetuate negative stereotypes about WOC entrepreneurs. The shortsightedness of invoking perceived pipeline problems and relying on rigid programs that don't consider the gendered and racialized biases WOC in tech experience limits the collective contributions needed to advance the field. The study points to several actionable measures investors, tech transfer, and entrepreneurship support organizations can take to remedy the funding disparity experienced by WOC STEM entrepreneurs.

SAMPLE OF ACTION ITEMS FOR INVESTORS, TECH TRANSFER OFFICES, AND ENTREPRENEURSHIP SUPPORT PROGRAMS

- **Analyze the breadth, diversity, dynamism, and connection** capacity of your network, using the AWIS S2M Network Assessment Tool. You'll understand your network's current state and identify what kinds of people would strengthen it.
- **Remove any existing "weed out" philosophy** from your program culture, structure, operations and curriculum. This misguided philosophy is based on false assumptions about who can be a successful entrepreneur. Instead, keep entrepreneurs engaged through holistic support and flexible program design.
- **Check your evaluation criteria for ambiguous or biased factors**, then revise your criteria so they are clearly articulated and align with your investment and/or recruitment goals. Stick to the criteria when evaluating companies and founders. For added accountability and transparency, share the criteria with potential founders.
- When you hear biased commentary about founders who are women and people of color, **speak up respectfully** and ask others to do the same for you.

Less than 1% of venture capital is awarded to women of color.

Resource gatekeepers, like investors, tech transfer offices, and entrepreneurship support programs, need to actively mitigate bias in their decision-making to open up equitable opportunities for WOC tech founders.

STEM to Market is a two-part program that supports STEM women entrepreneurs while transforming institutions that control innovation resources.

4 out of 225: The number of women of color led biotech companies that have made an initial public offering in the past five years.