The glass ceiling in the start-up world, too

Women-founded firms raise $77 million on average compared with $100 million by men

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Fifty years ago, James Brown sang *It's a Man's World*. For women starting tech companies in 21st century America, it often seems like not much has changed.

Venture capital is the lifeblood of any start-up, and female tech entrepreneurs raise significantly less of it than men. US companies founded by women pulled in an average of $77 million compared with $100 million raised by men, according to a Bloomberg analysis. The discrepancy is slightly worse than the national pay gap between the genders: an average of 79 cents earned by women for every dollar made by men, according to a 2015 US Census Bureau report.

The Bloomberg research focused on 2,005 founders of US-based tech start-ups established from 2009 to 2015 that raised $20 million or more. Of those founders, just 141, or 7 per cent, were women.

The lack of women in technology and venture capital has become a flash point in recent years and prompted soul-searching and incremental change. Several tech companies have started disclosing their workforce demographics; some VCs are discussing ways to diversify an industry still dominated by men.

Along with founders' gender and the sums they raised, the Bloomberg study examined their backgrounds (almost a quarter graduated from schools outside the US, the bulk being from India) and geographic hot spots. Yes, California is still No. 1.

Education, or lack thereof, also revealed some surprising trends. More founders dropped out of or didn't attend college than graduated from a single top university like Harvard, Stanford or MIT. College dropouts founded Internet companies more than any other type of tech start-up, with 8.9 per cent launching ventures. Biotechnology and pharmaceutical start-ups were another matter. None dropped out of college, and more than 60 per cent had Ph.Ds.

Venture-backed companies that have gone public since 2010 are mostly in the biotech industry, the analysis found.